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EXHIBITS

Supreme Court of the United States

OCTOBER TERM, 1933

No. 440

BENJAMIN F. LINDHEIMER AND OTHERS, CONSTITUTING THE ILLINOIS COMMERCE COMMISSION OF THE STATE OF ILLINOIS; OTTO KERNER, ATTORNEY GENERAL OF THE STATE OF ILLINOIS, AND THE CITY OF CHICAGO, APPELLANTS,

vs.

ILLINOIS BELL TELEPHONE COMPANY

No. 548

ILLINOIS BELL TELEPHONE COMPANY, APPELLANT,

vs.

BENJAMIN F. LINDHEIMER AND OTHERS, CONSTITUTING THE ILLINOIS COMMERCE COMMISSION OF THE STATE OF ILLINOIS; OTTO KERNER, ATTORNEY GENERAL OF THE STATE OF ILLINOIS, AND THE CITY OF CHICAGO

APPEALS FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS

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VOL. VI

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[fol. 4195] EXTRACTS FROM EXHIBIT DEF'T'S EX. D-101.

American Telephone and Telegraph Company,
195 Broadway

New York, March 24, 1921.

Mr. Frank S. Fowler, Chief of Depreciation Section, Interstate Commerce Commission, Washington, D. C.

DEAR SIR: In response to your letters of January 6 and February 2, 1921, requesting a statement of our views regarding depreciation accounting for telephone companies, with particular reference to questions presented in connection with Section 20 of the Interstate Commerce Act as amended February 28, 1920, we beg to submit the following on behalf of the companies comprising the Bell System (List attached).

General Statement of Bell System Practice

It has been the practice of the telephone companies comprising the Bell System to provide depreciation reserves in order that the capital invested in depreciable property may continuously be maintained unimpaired. This practice is in accord with the policy set forth on pages 22 to 24, inclusive, in the Twentieth Annual Report of the Interstate Commerce Commission on the Statistics of Railways in the United States for the year ending June 30, 1907. The depreciation reserves of Bell System Companies are built up by monthly or annual charges against earnings in such amounts as will distribute, as nearly as may be, evenly throughout the service life of the property, the cost of capital consumed in operation. The amount of these charges depends upon the cost of the plant, its service life, and the net salvage to be realized upon retirement. In telephone plant the service life rarely equals the actual physical life of plant. Plant may be in good physical condition but due to public requirement, inadequacy, obsolescence, etc., it is removed and new plant substituted therefor before it is worn out, as a result of physical deterioration. For example, underground construction may be substituted for overhead construction; a common battery exchange may be substituted for a magneto system exchange;

new and improved facilities of various kinds may be substituted for existing facilities; or plant may be destroyed by storms or other casualties and rebuilt. All these factors have a direct bearing upon the service life of the plant, and this service life in turn determines the rate of the monthly or annual charges against earnings for depreciation.

[fol. 4196] It is the aim of Bell Companies, when plant is retired from service that the depreciation reserve shall, for such plant, contain an amount equal to the original cost of the plant retired plus cost of removal less salvage recovered. These companies consider that any practice which does not provide for the consumption of capital by charges to Operating Expenses during the service life of property is a wrong practice, and one which is detrimental to the maintenance of stable and efficient telephone service.

* * * * * * *

5. Inadequacy:

The growth of the business is necessarily such that the plant which was considered adequate for a reasonable future period when installed has become inadequate to care for the growth of the business and must be replaced with plant of larger capacity. The importance of this item is that normally telephone plants are of rapid growth, and that it is generally impossible, in a growing community, to economically build — plant which will not become inadequate before it has reached the end of its physical life.

* * * * * * *

[fol. 4197] III. Bases Upon Which Depreciation Charges Should be Accrued

(a) Accruals should be based on original cost or investment.

All telephone property, excepting land, is subject to depreciation and the continual consumption of the investment is a part of the cost of the service and must be provided for by charges against earnings.

The sound theory is that the charges to the reserve for depreciation should be based on the original cost of the

property retired, less the net salvage credit. This is demonstrated by the following considerations:

1. The function of the depreciation reserve is to amortize the portion of the expense of conducting the business caused by using up this depreciable property.

2. The actual amount of this expense is the original cost of this property less net salvage credits.

3. This method is equitable in that it provides for the amortization of the actual investment during the period it is consumed in rendering the service.

4. Upon this theory the amount to be credited by the reserve is definite and fixed so that the periodical charges to operating expenses on account of the reserve can be made certain.

5. This method tends to certainty and definiteness in the accounting.

The current charges against earnings and concurrent credits to the reserve should be based on the investment, [fol. 4198] that is, on the original cost, of the depreciable property, its service life and the estimated net salvage to be realized (see Section II above), in order that by the time such property goes out of service there shall have been accumulated in respect thereof a reserve equal to its original cost plus the expenses incident to removal less the value of any salvage. We know of no other practical way to maintain the integrity of the investment in depreciable property devoted to the telephone business. When retirements of such property occur the original cost of the plant can then be credited to the investment account and concurrently charged to the depreciation reserve. In this manner the investment always shows the actual investment in, or cost of, the property actually in use. This practice follows the principles prescribed by the Interstate Commerce Commission in its System of accounts.

The depreciation reserve underlies and protects a company's investment in depreciable fixed capital as a whole. It is our view that no subdivisions of the reserve per se should, or can properly, be set up for any particular units or classes of property or for territorial divisions of a company's property. When depreciable property is retired

from service for any cause the original cost plus the cost of removal less salvage should be charged to this single reserve which is provided in respect of the company's entire depreciable property. While some units of property may remain in service beyond their expected service life, other units are retired before they reach the end of their expected service life. In determining the rate of depreciation and the expected life, consideration is given to such variations in order that the reserve will provide for retirements based upon the average expected life. A depreciation reserve on this basis will not, of course, at any particular time, except by mere coincidence, represent the actual physical deterioration in the plant, for in addition to providing for deterioration actually in evidence the reserve provides for facts and contingencies which may not yet be manifest, but which, from past experience, are certain of realization, e. g., obsolescence, inadequacy, public requirements, casualties, etc., within the period of service life on the basis of which the reserve is set up.

(b) Straight Line Method:

The straight line method is used by Bell System Companies in accruing depreciation. Of all known methods [fol. 4199] this one is the most practical and the simplest of application. It obviates complicated interest calculations and distributes uniformly and equitably over the life of the property the loss in investment occasioned by depreciation. It is the only practicable method of procedure in the telephone business, because the life of telephone plant is relatively short, such plant is continually growing, renewals thereof are frequent, and changes in the art are constant. These conditions are all met by the straight line method.

IV. The Necessity for Accruals

Depreciation is continuous from the moment any unit or units of telephone property are installed until such units are retired. Inasmuch as depreciation is a proper charge against earnings to maintain the integrity of the investment, in order to properly and uniformly maintain such integrity requires that provision be made for the protection of the investment while the consumption by use of the property devoted to the service is in progress. Otherwise

the integrity of the investment is not maintained. A mere promise to provide for retirement at the end of the period or life is not sufficient. If no reserve were provided uniformly during the service life of the property to take care of capital consumed in operation, companies would be compelled to charge fluctuating rates or make inroads into their earnings when retirements of property become necessary. Accruals, therefore, are made and reserves are built up by a uniform monthly or annual charge, first, to give protection to the investment, second, to insure stability of telephone service, and third, to keep the charges for service to the user equitably distributed and as reasonably stable and uniform as possible.

* * * * * * *

Depreciation Has Been Recognized in the Accounts of the Bell System Since 1884

The rules regarding depreciation accounting prescribed by your Commission have been followed by the Bell System since January 1, 1913, the effective date of the System of Accounts. From January 1, 1910, to January 1, 1913, depreciation was handled in practically the same manner as that now prescribed by the Commission with some minor exceptions. Prior to 1910 and as far back as 1884 depre- [fol. 4200] ciation was recognized in the accounts but under a method differing somewhat from the one now in use but aiming to bring about the same general result.

The depreciation reserve now carried by the Bell System is therefore the result of the depreciation policy followed since 1884, the last eleven years being on a practically uniform basis and in accordance with the Commission's regulations set forth in the Uniform System of Accounts.

* * * * * * *

Interest During Construction

The amount carried in the fixed capital account "Interest during Construction" consists of interest charges accrued during the construction period on investment ultimately charged to the tangible fixed capital accounts involved. Since this amount is a part of the cost of property it is subject to depreciation at the same rate as the plant to

which it pertains. Therefore, the monthly or annual depreciation charges against earnings should include provision for the ultimate retirement of the "Interest during Construction" element of investment, these charges to be based upon the composite or average rate applicable to related plant accounts.

Under this method the interest during Construction is depreciated on practically the same rates as those applying on the plant in respect of which such interest has been set up. It would be preferable if "Interest during Construction" were not carried in a separate fixed capital account but were distributed among the several tangible fixed capital accounts. In such case the proper depreciation rate would be applied against the entire investment in each class of plant and as plant is retired the proper amount of related interest during construction would be automatically written off.

P. 10

[fol. 4201] In conclusion we desire to bring to the attention of the Commission the following general phases of the subject under consideration:

The rates used and the practices followed by the Bell System Companies are the result of the best expert judgment and experience which we have been able to bring to th subject, due weight being given to all pertinent factors. Experience has proven that the depreciation accounting procedure followed by our companies is sound in principle and produces proper results. While it may, and probably will, be necessary to revise rates slightly from time to time in the future, as has been done in the past, it is believed that the rates now applied are correct. Since these methods and practices have generally been accepted as sound and proper and are consistent with the rules so far prescribed by the Commission, we respectfully recommend that they be continued with the exception of the treatment now prescribed for Right of Way and Other Intangible Capital.

P. 11

Bell System Companies have followed consistently for a long period the practice of setting up depreciation on all depreciable property, and their experience gives them trustworthy data which may be used in the present study of depreciation. Full information regarding depreciation of telephone property is available and can be placed at the

disposal of the Commission. With these data at hand, the Commission will, we believe, be in a position to pass upon the question of depreciation accounting for telephone companies without delay.

The telephone business has the following important characteristics:

(a) There is a continuous and rapid growth of the plant and extension of territory which demands additional facilities and new capital.

(b) The plant consists of a large number of small integral but expensive parts.

(c) The plant and equipment are of relatively short service life insofar as a very considerable portion thereof is concerned.

(d) There is a constant replacing of existing plant due to changes in the art, public requirements, etc.

(e) There is a constant change in location of plant to meet the demands of the users of the service.

[fol. 4202] The subject of depreciation is a vital one to telephone industry. It is very intimately related to the question of financing, and constantly arises in connection with administrative and operating matters. In determining the rates of depreciation for telephone propert[illegible] peculiarities and needs of that business should be [illegible] independent consideration.

[redacted]

(Here follows side folios 4203, 4204, 4205 and 4206)

[fol. 4203]

EXHIBIT D-102

Prices of Transmitters, Receivers and Induction Coils Sold to Both Bell and Non-Bell Customers from January 1, 1916, to December 31, 1925

	1916					1917					1918		
	Bell		Non-Bell*(G)			Bell		Non-Bell*			Bell		Non-Bell*
Transmitters:	1/1 to 3/15	3/16 to 12/31	1/1 to 4/2	4/3 to 9/24	9/25 to 12/31	1/1 to 3/15	3/16 to 12/31	1/1 to 3/19	3/20 to 12/19	12/20 to 12/31	1/1 to 10/15	10/16 to 12/31	1/1 to 12/31
234	$1.325	$1.465	$2.20	$2.40	$2.60	$1.465	$1.575	$2.60	$3.25	$3.00	$1.575	$1.70	$3.00
244	1.065	1.48	.....	.....	2.25	1.48	1.445	2.25	2.81	2.75	1.445	1.46	2.75
266	.675	.725	.....	.....	1.20	.725	.81	1.20	.50	1.50	.81	.87	1.50
311	.88	1.06	.....	.....	1.75	1.06	.....	1.75	.20	1.95	.....	.....	1.95
312	.....	.....	.....	.....	3.35	.....	.....	3.35	4.19	3.75	.....	.....	3.75
323	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.375	.....
329	.875	1.105	1.50	1.75	1.75	1.105	1.315	1.75	2.20	2.00	1.315	.....	2.00
337	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
350	.955	1.295	.....	.....	2.00	1.295	1.66	2.00	2.50	2.25	1.66	.....	2.25
353 Pressed Arm	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.72	.....

	Bell		Non-Bell*(G)			Bell		Non-Bell*			Bell		Non-Bell*
Receivers:	1/1 to 3/15	3/16 to 12/31	1/1 to 5/31	6/1 to 9/24	9/25 to 12/31	1/1 to 3/15	3/16 to 12/31	1/1 to 3/7	3/8 to 12/19	12/20 to 12/31	1/1 to 10/15	10/16 to 12/31	1/1 to 12/31
127	$.....	$.....	$.....	$.....	$2.25	$.....	$.....	$2.25	$2.81	$2.80	$.....	$.....	$2.80
128	1.075	1.06	1.45	1.65	1.65	1.06	1.27	1.65	2.05	2.25	1.27	1.42	2.25
131	1.41	1.56	.....	.....	2.00	1.56	1.645	2.00	2.50	2.50	1.645	1.765	2.50
144	.915	.885	1.14	1.25	1.25	.885	.94	1.25	1.55	1.45	.94	.96	1.45
146	1.33	.....	.....	.....	1.75	.....	.....	1.75	2.20	2.25	.....	1.495	2.25
157	1.26	1.32	.....	.....	2.35	1.32	1.475	2.35	2.94	2.60	1.475	1.60	2.60
528	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

	Bell	Non-Bell*(G)				Bell		Non-Bell*			Bell		Non-Bell*
Induction Coils:	1/1 to 12/31	1/1 to 4/2	4/3 to 7/23	7/24 to 9/24	9/25 to 12/31	1/1 to 6/15	6/16 to 12/31	1/1 to 3/7	3/8 to 12/19	12/20 to 12/31	1/1 to 10/15	10/16 to 12/31	1/1 to 13/31
5	$ .345	$.....	$.....	$.....	$1.30	$ .345	$ .615	$1.30	$1.625	$1.65	$ .615	$ .545	$1.65
10	.82(D)	1.50	1.65	1.65	1.00	.....	.88	1.70	2.125	2.00	.88	.965	2.00
13	.345	.35	.40	.45	.50	.345	.615	.50	.625	.75	.615	.545	.75
20	.345	.55	.60	.60	.70	.345	.615	.70	.875	.95	.615	.545	.95
23	.82	.90	1.00	1.00	1.20	.82	.88	1.20	1.50	2.00	.88	.965	2.00
24	.82	1.10	1.25	1.25	1.40	.82	.88	1.40	1.75	2.25	.88	.965	2.25
29	.....	.....	.....	.....	.60	.....	.....	.60	.75	.85	.....	.....	.85
31	.345	.....	.....	.....	.50	.345	.615	.50	.625	.75	.615	.545	.75
46	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

*The Non-Bell prices shown on this statement are the minimum prices charged to the general trade (Non-Bell Operating Companies) by the Supply Department of the Western Electric Company.

[fol. 4204]

EXHIBIT D-102

Prices of Transmitters, Receivers and Induction Coils Sold to Both Bell and Non-Bell Customers from January 1, 1916, to December 31, 1925

	1919				1920				1921				
	Bell		Non-Bell*		Bell		Non-Bell		Bell		Non-Bell*		
Transmitters:	1/1 to 8/15	8/16 to 12/31	1/1 to 10/31	11/1 to 12/31	1/1 to 9/15	9/16 to 12/31	1/1 to 5/31	6/1 to 12/31	1/1 to 11/15	11/16 to 12/31	1/1 to 8/31	9/1 to 12/26	12/27 to 12/31
234	$1.70	$2.37	$3.00	$3.75	$2.37	$3.04	$3.75	$4.50	$3.04	$2.25	$4.85	$4.00	$3.25
244	1.46	1.85	2.75	3.00	1.85	2.32	3.00	3.50	2.32	1.69	3.50	3.10	2.25
266	.87	1.17	1.50	1.90	1.17	1.47	1.90	2.25	1.47	.....	2.55	2.15	1.60
311	.....	.....	1.95	2.20	.....	.....	2.20	2.65	.....	.....	2.65	2.45	1.85
312	.....	.....	3.75	4.55	.....	.....	4.55	5.45	.....	.....	5.45	5.00	3.80
323	1.375	1.53	2.00(A)	2.25	1.53	1.87	2.25	2.70	1.87	1.37	2.70	2.50	1.90
329	.....	.....	2.00	2.25	.....	.....	2.25	2.70	.....	.....	2.70	2.50	1.90
337	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.47	.....	.....	.....
350	.....	.....	2.25	2.85	.....	.....	2.85	3.40	.....	.....	.....	.....	.....
353 Pressed Arm	1.72	1.93	.....	2.65(B)	1.93	2.34	2.65(B)	3.15(B)	2.34	1.72	3.50(B)	3.10(B)	2.40(B

	Bell		Non-Bell*			Bell		Non-Bell*		Bell		Non-Bell*		
Receivers:	1/1 to 8/15	8/16 to 12/31	1/1 to 4/11	4/12 to 10/31	11/1 to 12/31	1/1 to 9/15	9/16 to 12/31	1/1 to 5/31	6/1 to 12/31	1/1 to 11/15	11/16 to 12/31	1/1 to 8/31	9/1 to 12/26	12/27 to 12/31
127	$.....	$.....	$2.80	$2.90	$4.00	$.....	$.....	$4.00	$.480	$.....	$.247	$4.50	$4.25	$3.40
128	1.42	.....	2.25	2.40	3.30	.....	.....	3.30	4.00	.....	.....	3.65	3.00	.....
131	1.765	2.29	2.50	2.75	3.50	2.29	2.73	3.50	4.25	2.73	2.20	4.25	3.60	3.00
144	.96	1.33	1.45	1.50	2.10	1.33	1.62	2.10	2.50	1.62	1.37	2.50	2.25	2.05
146	1.495	2.00	2.25	2.50	3.25	2.00	2.68	3.25	3.99	2.68	2.17	4.35	3.70	2.90
157	1.60	2.10	2.60	.....	.....	2.10	2.80	.....	.....	2.86	2.24	.....	.....	.....
528	.....	2.00	.....	.....	.....	2.00	2.81	.....	.....	2.81	2.21	.....	.....	2.95

	Bell		Non-Bell*		Bell		Non-Bell*		Bell		Non-Bell*	
Induction Coils:	1/1 to 8/15	8/16 to 12/31	1/1 to 9/1	9/2 to 12/31	1/1 to 9/15	9/16 to 12/31	1/1 to 7/31	8/1 to 12/31	1/1 to 11/15	11/16 to 12/31	1/1 to 12/26	12/27 to 12/31
5	$.515	$.585	$1.65	$1.65	$.585	$.765	$1.65	$2.50	$.765	$.58	$4.00	$2.50
10	.965	1.96	2.00	3.50	1.96	2.10	3.50	5.00	2.10	1.39	5.00	4.45
13	.515	.585	.75	.75	.585	.765	.75	.95	.765	.58	.95	.70
20	.515	.585	.95	.95	.585	.765	.95	1.10	.765	.58	1.40	.80
23	.965	1.96	2.00	3.50	1.96	2.10	3.50	2.50	2.10	1.39	2.15	1.40
24	.965	1.96	2.25	3.75	1.96	2.10	3.75	4.00	2.10	1.39	4.00	2.65
29	.....	.....	.85	.85	.....	.....	.85	1.30	.....	.....	1.45	1.00
31	.515	.585	.75	.75	.585	.765	.75	.95	.765	.58	1.00	1.25
46	.....	.....	.....	.....	.....	.....	.....	1.10	.....	.58	1.15	.80

* The Non-Bell prices shown on this statement are the minimum prices charged to the general trade (Non-Bell Operating Companies) by the Supply Department of the Western Electric Company.

[fol. 4205]

Transmitters:	1922 Bell 1/1 to 5/15	1922 Bell 5/16 to 12/31	1922 Non-Bell* 1/1 to 8/4	1922 Non-Bell* 8/5 to 12/31	1923 Bell 1/1 to 12/31	1923 Non-Bell* 1/1 to 1/11	1923 Non-Bell* 1/12 to 12/31	1924 Bell 1/1 to 12/31	1924 Non-Bell* 1/1 to 6/30	1924 Non-Bell* 7/1 to 12/31	1925 Bell 1/1 to 12/31	1925 Non-Bell* 1/1 to 3/31	1925 Non-Bell* 4/1 to 12/31
234	$2.25	$2.40	$3.25	$3.25	$2.30	$3.25	$3.10	$2.38	$3.30	$3.25	$2.53	$3.25	$3.45
244	1.69	1.74	2.25	2.25	1.77	2.25	2.35	1.81	2.50	2.45	1.81	2.45	2.45
266	....	1.46	1.60	2.00	1.43	2.00	2.00	1.48	2.20	2.15	1.61	2.15	2.25
311	....	....	1.85	1.85	....	1.85	1.85	....	....	....	....	....	....
312	....	....	3.80	3.80	....	3.80	3.80	....	3.95	3.80	2.97	3.80	3.95
323	1.37	1.41	1.90	1.90	1.43	1.90	1.90	1.45	2.00	2.00	1.45	2.00	2.00
329	....	....	1.90	1.90	....	1.90	1.95	....	....	....	....	....	....
337	1.47	1.54	....	....	1.52	....	....	1.56	2.25	2.15	1.57	2.15	2.15
360	....	....	....	....	....	....	....	....	....	....	....	....	....
353 Pressed Arm	1.72	1.71	2.40(B)	2.40(B)	1.77	2.40(B)	2.35(B)	1.73	2.40(B)	2.30(B)	1.77	2.30(B)	2.35(B)

Receivers:	Bell 1/1 to 5/15	Bell 5/16 to 12/31	Non-Bell* 1/1 to 12/31	Bell 1/1 to 12/31	Non-Bell* 1/1 to 12/31	Bell 1/1 to 4/30	Bell 5/1 to 12/31	Non-Bell* 1/1 to 6/30	Non-Bell* 7/1 to 12/31	Bell 1/1 to 12/31	Non-Bell* 1/1 to 3/31	Non-Bell* 4/1 to 12/31
127	$2.47	$2.48	$3.40	$2.45	$3.35	$3.25	$3.25	$4.55	$4.50(C)	$3.60	$....	$....
128	....	....	....	....	....	....	....	....	....	....	....	....
131	2.20	2.11	3.00	2.16	2.95	2.35	2.35	3.30	3.25	2.43	3.25	3.35
144	1.37	1.33	2.05	1.25	1.95	1.33	1.33	2.05	2.00	1.35	2.00	2.00
146	2.17	2.06	2.90	....	2.55	....	....	3.00	2.95	....	2.95	3.15
157	2.24	2.18	....	2.17	....	2.35	2.42	....	....	....	....	....
528	2.21	2.17	2.95	2.13	2.90	2.10	2.17	3.05	2.90	2.27	2.90	3.05

Induction Coils:	Bell 1/1 to 5/15	Bell 5/16 to 12/31	Non-Bell* 1/1 to 2/28	Non-Bell* 3/1 to 12/31	Bell 1/1 to 12/31	Non-Bell* 1/1 to 12/31	Bell 1/1 to 12/31	Non-Bell* 1/1 to 6/30	Non-Bell* 7/1 to 12/31	Bell 1/1 to 12/31	Non-Bell* 1/1 to 3/31	Non-Bell* 4/1 to 12/31
5	.58	$....	$2.50	$2.50(E)	$1.87	$2.55	$2.09	$2.90	$2.85	$2.05	$2.85	$2.80
10	1.39	....	4.45	3.45(E)	2.70	3.60	3.00	4.10	4.00	3.13	4.00	4.15
13	.58	.43	.70	.80(E)	.41	.75	.44	.80	.80	.45	.80	.80
20	.58	....	.80	.80(E)	....	.80	....	....	....	....	....	....
23	1.39	1.01	1.40	1.85(EF)	.95	1.70	....	1.85	1.80	1.09	1.80	1.90
24	1.39	1.76	2.65	2.65(E)	1.84	2.75	....	2.90	2.85	1.98	2.85	2.95
29	....	....	1.00	1.00	....	.85	....	.95	.90	.69	.90	.95
31	.58	....	1.25	1.25(E)	.43	1.25	.38	1.20	1.20	.51	1.20	1.35
46	.58	.58	.80	.80(E)	.55	.80	.56	.85	.85	.57	.85	.85

(A) Published 4/12/19.
(B) Non-Bell price assumed to apply to pressed arm although no records are available to substantiate this.
(C) Withdrawn 12/10/24.
(D) Withdrawn 6/15/16.
(E) Withdrawn 7/1/22 to 8/4/22.
(F) Revised to $1.75 on 8/5/22.
(G) Published prices prior to 9/25/16 not available. Prices on the major items shown were taken from other records.
LFT-1/27/32

* The Non-Bell prices shown on this statement are the minimum prices charged to the general trade (Non-Bell Operating Companies) by the Supply Department of the Western Electric Company.

(Here follows side folio 4206)

EXHIBIT D-103

PRICES OF TRANSMITTERS, RECEIVERS AND INDUCTION COILS SOLD TO BELL AND NON-BELL CUSTOMERS FROM JANUARY 1, 1926 TO DECEMBER 31, 1930.

Code Number	1926 Bell 1/1 to 12/31	1926 Non-Bell 1/1 to 11/1	1926 Non-Bell 11/1 to 12/31	1927 Bell 1/1 to 12/31	1927 Non-Bell 1/1 to 12/31	1928 Bell 1/1 to 3/15	1928 Bell 4/1 to 12/31	1928 Non-Bell 1/1 to 3/15	1928 Non-Bell 4/1 to 12/31	1929 Bell 1/1 to 7/1	1929 Bell 7/1 to 12/31	1929 Non-Bell 1/1 to 7/1	1929 Non-Bell 7/1 to 12/31	Bell 1/1 to 11/1	Bell 11 to 12
Transmitters.															
234	2.64		2.14	2.16	2.64	2.16	2.1	2.44	2.20	2.10	2.00	2.20	2.20	$2.00	$2.
244	1.70	1.71	1.70	1.67	1.70	1.67	1.7	1.70	1.70	1.67	1.60	1.75	1.60	1.60	1.
266	1.60	1.60	1.60	1.62	1.60	1.6	1.6	1.60	1.60	1.6	1.60	1.65	1.65	1.60	1.
312	.70	.67	.70	.64	.70	.64	.64	.70	.70	.64	.60	.75	.50	.60	.6
323	1.64	1.6	1.64	1.60	1.65	1.60	1.60	1.65	1.65	1.64	1.60	1.75	1.50	1.40	2.
337	1.62	1.57	1.62	1.62	1.65	1.60	1.60	1.65	1.65	1.64	1.60	1.65	1.65	1.60	1.
Receivers.															
127	-	-	-	-	-	-	-	-	-	2.05	2.05	-	-	2.05	2.
131	2.02	2.45	2.02	2.10	2.02	2.10	2.10	2.02	2.20	2.10	2.05	-	-	2.05	2.
144	1.62	1.65	1.62	1.60	1.62	1.60	1.6	1.62	1.20	1.65	1.65	2.00	2.00	1.90	1.
146	2.01	2.01	2.01	2.05	2.41	2.20	2.20	2.41	2.45	2.05	2.20	2.05	2.05	2.20	2.
157	-	-	-	-	-	-	-	-	-	-	-	-	-	2.17	2.
525 (3- Headband)	2.03	-	-	1.99	-	1.99	1.99	-	-	1.93	1.85	-	-	1.85	
525 11- Headband as of 9/1/30	-	-	-	-	-	-	-	-	-	-	-	-	-	1.72	1.
528 3- Headband	1.94	2.02	1.94	1.79	1.94	1.79	1.79	1.94	1.71	1.70	1.65	1.71	1.65	1.55	
528 11-A Headband as of 9/1/30	-	-	-	-	-	-	-	-	-	-	-	-	-	1.42	1.
Induction Coils.															
5	1.76	2.05	1.76	1.65	1.76	1.65	1.65	1.76	1.70	1.65	1.60	1.70	1.68	1.60	1.
10	2.87	3.13	2.87	2.93	2.93(A)	2.93	2.93	2.93	3.05	2.93	2.90	3.05	3.05	2.90	3.
13	.64	.66	.64	.67	.64	.67	.67	.64	.65	.67	.64	.70	.70	.64	.
23	1.08	1.09	1.08	1.05	1.08	1.05	1.05	1.08	1.10	1.05	1.00	1.10	1.05	1.00	1.
24	1.37	1.38	1.37	1.37	1.37	1.37	1.37	1.37	1.35	1.37	1.35	-	1.35	1.35	1.
9	-	.69	.60	-	.60	.60	.60	.60	.65	.60	.50	.65	.55	.60	.
1	.49	.51	.49	.41	.49	.41	.41	.49	.50	.41	.35	.50	.40	.38	.
16	.51	.57	.51	.47	.51	.47	.48	.51	.60	.48	-	.50	-	-	
46-3	-	-	-	-	-	-	-	-	-	-	.44	-	.46	.44	.
58	-	1.10	1.10	-	1.10	1.10	1.10	1.10	1.15	1.10	1.10	1.15	1.15	1.10	1.
59	-	.90	.90	-	.90	.90	.90	.90	.95	.90	.90	.95	.95	.90	1.
62	.90	.97	.90	.88	.90	.88	.88	.90	.90	.86	.80	.90	.84	.80	.
63	.97	1.07	.97	.92	.97	.92	.92	.97	.95	.92	.85	.95	.89	.85	1.
65	.98	1.05	.98	.90	.98	.90	.90	.98	.95	.90	.80	.95	.84	.80	.
Hand Telephone Sets					-	14.00	12.75(C)	-	13.08(C)	10.00	9.50	10.35	10.20	9.80(D)	9.
" " " Elliptical															

EXHIBIT D-103

PRICES OF TRANSMITTERS, RECEIVERS AND INDUCTION COILS SOLD TO BELL AND NON-BELL CUSTOMERS FROM JANUARY 1, 1926 TO DECEMBER 31, 1930.

	1926			1927		1928				1929				1930			
	Bell	Non-Bell		Bell	Non-Bell	Bell		Non-Bell		Bell		Non-Bell		Bell		Non-Bell	
	1/1 to 12/31	1/1 to 11/1	11/1 to 12/31	1/1 to 12/31	1/1 to 12/31	1/1 to 4/1	4/1 to 12/31	1/1 to 4/15	4/15 to 12/31	1/1 to 7/1	7/1 to 12/31	1/1 to 7/1	7/1 to 12/31	1/1 to 11/1	11/1 to 12/31	1/1 to 11/1	11/1 to 12/31
	2.04		2.14	2.16	2.04	2.16	2.1	2.04	2.0	2.10	2.00	2.0	2.20	$2.00	$2.0	2.20	$2.05
	1.70	1.1	1.73	1.7	1.70	1.67	1.7	1.73	1.7	1.7	1.60	1.75	1.60	1.60	1.60	1.60	1.60
	1.0	1.01	1.0	1.02	1.00	1.0	1.0	1.00	1.0	1.0	1.20	1.0	1.27	1.20	1.20	1.25	1.25
	.7	.87	.7	.84	2.70	.84	.84	.79	.7	.84	2.40	2.75	2.50	2.40	2.40	2.50	2.50
	1.1	1.0	1.1	1.30	1.45	1.30	1.0	1.45	1.25	1.1	1.10	1.25	1.15	1.10	1.10	1.15	1.15
	1.1	1.07	1.1	1.3	1.3	1.3	1.0	1.30	1.25	1.2	1.10	1.25	1.15	1.10	1.10	1.15	1.15
	2.0	-	-	-	-	-	-	-	-	2.10	2.05	-	-	2.05	2.05	-	-
	2.22	2.4	2.22	2.20	2.2	.10	2.10	2.22	2.20	2.10	1.9	2.20	.90	1.90	1.90	2.00	2.00
	1.32	1.3	1.2	1.30	1.35	1.3	1.1	1.32	1.20	1.15	1.05	1.20(B)	1.10	1.05	1.05	1.10	1.10
	2.1	2.3	2.1	2.35	2.41	2.20	2.20	2.41	2.5	2.26	2.20	2.25	2.5	2.25	2.20	2.35	2.35
	-	-	-	-	-	-	-	-	-	-	-	-	-	2.17	2.20	2.30	2.33
	2.03	-	-	1.9	-	1.9	1.89	-	-	1.83	1.81	-	-	1.75	-	-	-
as of 9/1/30	-	-	-	-	-	-	-	-	-	-	-	-	-	1.72	1.95	1.80	2.05
	1.94	2.1	1.94	1.79	1.94	1.7	1.70	1.94	1.71	1.70	1.6	1.71	1.65	1.55	-	1.65	-
as of 1/1/30	-	-	-	-	-	-	-	-	-	-	-	-	-	1.42	1.70	1.52	1.80
	1.76	2.05	1.76	1.65	1.76	1.65	1.66	1.76	1.70	1.65	1.60	1.70	1.68	1.60	1.85	1.68	1.93
	2.87	3.13	2.87	2.93	2.93(A)	2.33	2.92	2.93	3.05	2.93	2.90	3.05	3.05	2.90	3.35	3.05	3.55
	.6	.6	.6	.6	.6	.6	.6	.6	.6	.6	.4	.6	.39	.4	.40	.39	.46
	1.08	1.09	1.08	1.05	1.08	1.05	1.06	1.08	1.10	1.06	1.00	1.10	1.05	1.00	1.15	1.05	1.20
	1.37	1.38	1.37	1.3	1.37	1.37	1.37	1.37	1.35	1.37	1.6	-	1.35	1.35	1.15	1.35	1.25
	-	.69	.60	-	.60	.60	.60	.60	.65	.60	.50	.68	.55	.60	.60	.55	.65
	.49	.51	.49	.41	.49	.41	.41	.49	.50	.41	.3	.40	.40	.38	.45	.40	.47
	.51	.57	.1	.4	.51	.4	.48	.51	.60	.48	-	.50	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	.44	-	.46	.44	.50	.46	.52
	-	1.10	1.10	-	1.10	1.10	1.10	1.10	1.15	1.10	1.1	1.16	1.16	1.10	1.10	1.16	1.15
	-	.90	.90	-	.90	.90	.90	.90	.95	.90	.90	.95	.95	.90	1.1	.95	1.15
	.90	.97	.90	.86	.90	.8	.88	.90	.90	.8	.80	.90	.84	.80	.90	.84	.94
	.97	1.07	.97	.92	.97	.92	.92	.97	.95	.92	.85	.95	.89	.85	1.0	.89	1.05
	.98	1.06	.98	.90	.98	.90	.90	.98	.95	.90	.80	.95	.84	.80	.90	.84	.94
					-	14.00	12.75(C)	-	13.08(C)	10.00	9.50	10.32	10.20	9.50(D)	9.25	10.80(D)	9.81
Elliptical															9.05		9.41

63	.97	1.07	.97	.92	.97	.92✓	.92	.97	.95	.92	.85	.95	.89	.85	1
65	.98	1.06	.98	.90	.98	.90	.90	.98	.95	.90	.80	.95	.84	.80	
Hand Telephone Sets					-	14.00	12.75(C)	-	13.08(C)	10.00	9.50	10.33	10.20	9.80(D)	9
" " Elliptical Mounting															9

A When sold for export 5% Royalty was added to these prices. After April 1, 1928 Non-Bell price is the royalty factor.
B Price of .144 type Receiver to Non-Bell Customers was 1.15 from 5/1/29 to 6/30/29.
C Price of the Hand Telephone set was changed during this period as follows: Bell 8/1/28 $11.00 Bell 10/1/28 11.33.
D " " " " " " " " " " " " " " Bell 9/1/30 8.89 Non-Bell 9/1/30 9.47

- --	.97	1.07	.97	.92	.97	.92✓	.92	.97	.95	.92	.85	.96	.89	.85	1.0)	.89	1.05
- -	.98	1.06	.98	.30	.9s	.90	.90	.98	.95	.90	.80	.95	.84	.80	.90	.84	.94
- -					-	14.00	12.75(C)		13.08(C)	10.00	9.50	10.33	10.20	9.50(n)	9.25	10.50(n)	9.81
al																	
- --															9.06		9.61

yalty was added to these prices. After April 1, 1928 Non-Bell price des the royalty factor.
r to Non-Bell Customers was 1.15 from 5/1/29 to 6/30/29.
e at was changed during this period as follows: Bell 8/1/28 $11.00 ell 10/1/28 11.35.
" " " " " " " " Bell 9/1/30 8.89 -Bell 9/1/30 9.47

[fol. 4207] EXHIBIT D-104

Sales of Telephone Receivers, Transmitters, and Induction Coils, 1916 to 1930, Inclusive

Year	Bell	Non-Bell
1916	$2,200,641	
1917	2,420,569	
1918	2,230,155	
1919	2,530,083	
1920	3,852,712	Information not available
1921	4,597,725	
1922	4,342,821	
1923	4,496,482	
1924	4,900,159	
1925	5,017,587	
1926	5,262,559	$439,464
1927	4,836,000	439,000
1928	8,561,199(S)	431,872(S)
1929	8,729,980(S)	538,971(S)
1930	10,015,999(S)	528,445(S)

(S) Includes Hand Sets.

[fol. 4208]

EXHIBIT D-111

American Telephone and Telegraph Company

Royalties Received from Western Electric Company, Incorporated, Electrical Research Products, Incorporated, and Others

Years 1923–1931

	1923	1924	1925	1926	1927	1928	1929	1930	1931	Total
Royalties Received by E. R. P. I. (assignee of W. E. Co.) and Portion thereof paid to A. T. and T. Co.	$.....	$.....	$42,923	$93,645	$198,087	$206,970	$304,861	$592,270	$959,450	$2,398,206
Sales by Graybar Electric Company of close talking microphones	.....	.....	.....	.....	.....	.....	.....	.....	240	240
Sales by Western Electric Company of Restricted Apparatus	94,977	67,677	82,797	77,417	203,223	218,298	899,934	514,653	161,808	2,320,784
Miscellaneous Royalties	.....	.....	.....	.....	1,167	579	2,080	3,232	14,057	21,115
Total	94,977	67,677	125,720	171,062	402,477	425,847	1,206,875	1,110,155	1,135,555	4,740,345
Patent Receipts	.....	.....	5,239	.....	33,489	16,250	11,775	20,000	.....	86,753
License Fees for Radio Broadcasting	2,500	45,859	81,557	89,919	104,461	63,796	14,451	500	.....	402,043
Total	$97,477	$113,536	$212,516	$260,981	$540,427	$505,893	$1,233,101	$1,129,655	$1,135,555	$5,229,141

[fol. 4209] DEF'T'S EX. D-112

This agreement, made and entered into on this 8th day of July, 1919, by and between the International Telephone Sales and Engineering Corporation, a corporation created under the laws of the state of Delaware (hereinafter for convenience called the Sales Corporation), and the American Telephone and Telegraph Company, a corporation created under the laws of the state of New York (hereinafter for convenience called the American Company), will witness:

Section 1. The Sales Corporation is now the owner of twenty-six thousand (26,000) shares, constituting approximately fifty-one per cent (51%) of the capital stock of the Automatic Electric Company (hereinafter for convenience called the Automatic Company). The Sales Corporation will endeavor to acquire all of the outstanding capital stock of the Automatic Company, and will acquire not less than 90% of said stock, including said stock now held by it, prior to the date for the exercise of the option hereinafter granted.

Section 2. Upon the terms and conditions hereinafter set out, and in consideration of One Dollar ($1.00) and other valuable considerations, the receipt whereof is hereby acknowledged, the Sales Corporation hereby grants to the American Company an option to acquire all of the capital stock of the Automatic Company, now or hereafter owned by the Sales Corporation, which shall be not less than 90% of said stock, which terms and conditions are:

(a) The American Company shall, on or before July 1, 1924, notify the Sales Corporation in writing of its election to exercise said option, which notice may be given by letter, deposited in the mail, postage prepaid, on or before July 1, 1924, and addressed to the Sales Corporation at Chicago, Illinois, or at such other address as it may hereafter designate in writing for that purpose.

(b) Upon the election to exercise the option, the transaction shall be closed by a transfer of the stock and payment therefor on January 1, 1925, at the office of the American Company in New York. Not less than ten days prior to said date, the Sales Corporation shall, in writing, notify

the American Company of the number of shares which it will assign and deliver.

(c) The Sales Corporation shall furnish to the American Company at its office in the city of New York, balance sheets showing the assets and liabilities of the Automatic Company, in such detail as the American Company may require, as follows:

[fol. 4210] One as of June 1st, 1919, to be furnished on or before July 1st, 1919.

One as of December 1st, 1923, to be furnished on or before December 20th, 1923.

One as of December 1st, 1924, to be furnished on or before December 20th, 1924.

The American Company shall be afforded reasonable opportunities to make such verifications of said balance sheets and such other investigations of the records and accounts of the Sales Corporation and Automatic Company as it may deem desirable.

(d) The Sales Corporation agrees that the Automatic Company will not, after July 1st, 1919, without the consent of the American Company, incur any indebtedness or other obligations, other than the ordinary current obligations incident to its manufacturing business, and those incident to the increase of its capacity to 100,000 lines per annum.

(e) The Sales Corporation agrees that the Automatic Company will not, without the consent of the American Company, increase the amount of its outstanding capital stock during the term of this agreement.

(f) The definitive price to be paid by the American Company for the said stock of the Automatic Company, in the event that it acquires the same under this option, shall be determined as follows:

(1) All of the profits of the Sales Corporation and the Automatic Company arising out of the manufacture and sale of the apparatus covered by a contract between the Sales Corporation and the Western Electric Company, Incorporated, of even date herewith, for 250,000 lines, shall be ascertained, and to this amount there shall be added an amount equal to one-half of the profits (other than those above described) of the Sales Corporation and the Automatic Company arising out of all of their business between

June 16, 1919 and December 31, 1924, and the total so found shall be divided by the number of shares acquired by the American Company hereunder.

Said profits shall be ascertained by deducting from gross income, all operating expenses prudently incurred, together with uncollectible items, taxes and interest on the necessary obligations of the Sales and Automatic Companies. [fol. 4211] If there has not been acquired by it on or before July 15, 1919, all of the outstanding stock of the Automatic Company, the Sales Corporation shall be entitled to have treated as interest expense, in computing profits as aforesaid, such an amount in each year on account of the stock of the Automatic Company at the time outstanding as would have been paid in interest in the year in question by the Sales Corporation, if such outstanding stock of the Automatic Company had been purchased by the Sales Corporation on or before July 15th, 1919, upon the same terms upon which the stock acquired by the Sales Corporation prior to that time was purchased.

(2) The amount to be ascertained as provided in the preceding paragraph (1) shall be credited upon $137.50, and the balance remaining shall be the definitive price per share to be paid for said stock.

If the credit so to be made on account of profits shall equal or exceed $137.50, then the stock shall be delivered to the American Company without payment by it, and the American Company shall be entitled to the excess, if any.

(3) In order to provide for the accurate determination of said definitive price, on or before the date for closing the purchase of the stock, January 1, 1925, the American Company shall, at such time as it elects after July 1, 1924, make an audit of the books of the Sales Corporation and the Automatic Company, and shall determine the factors which fix such definitive price. The Automatic Company and the Sales Corporation shall afford to the American Company all reasonable facilities for and assistance in making such audit.

The transaction shall be closed on January 1, 1925, upon the basis determined by such audit, but this shall be subject, however, to readjustment as hereinafter provided.

(g) If the parties are on January 1, 1925, or thereafter, in disagreement as to the amount of such profits, the stock

in question shall then be deposited, endorsed in blank, with the Bankers Trust Company of New York, in escrow, to be held by it until there is certified to it by the Audit Company of New York, (or some other chartered accountant to be selected by the parties, or if they cannot agree by said trust company) the amount, if any, due the Sales Corporation or the American Company on account of such purchase price or such excess credit, and upon such certification, and upon the payment by the American Company to [fol. 4212] said Trust Company of the amount, if any, so certified to be due from the American Company, said stock shall be delivered to the last named company. If said Audit Company shall so certify that on account of excess profits there is a balance due to the American Company, the amount of such balance shall be forthwith paid to the American Company by the Sales Corporation.

All differences as to the amount of such profits shall be submitted by the parties to the said Audit Company of New York, or to the other chartered accountant to be selected as aforesaid, which shall investigate and determine the same, and this determination shall, as to all matters of fact, be final and binding upon both parties. The expense of such determination shall be equally divided between the Sales Corporation and the American Company.

(h) The Sales Corporation agrees that it will not distribute any of its surplus profits as dividends until it has acquired not less than 90% of the outstanding capital stock of the Automatic Company and has paid all obligations given by it in connection with the acquisition of Automatic Company stock.

(i) The Sales Corporation further agrees that if the American Company shall acquire the said stock of the Automatic Company under this option, it will, if and when requested so to do by the Automatic Company, cancel any contracts then existing between the Sales Corporation and the Automatic Company, provided, however, that any contracts then existing between the Sales Corporation and the Automatic Company under which the Automatic Company is to manufacture apparatus for the Sales Corporation, shall be performed by the Automatic Company, upon the condition that the Sales Corporation shall account to the Automatic Company for a proportion of the Sales Corpo-

ration's profits under such contracts, equal to the proportion of the work of manufacturing done after the said option is exercised.

Section 3. If, because of doubt as to the legal right of the Sales Corporation to sell said stock to the American Company, or as to the legal right of the latter to acquire such stock, or for any other reason, the American Company shall not desire to avail itself of the option hereby granted, it may assign this option to any person to whom a sale of said stock at that time would be free from legal objections, and its assignee under such an assignment shall succeed to all of its rights under this agreement.

In witness whereof the parties hereto have caused this [fol. 4213] instrument to be executed in their behalf in duplicate by their respective presidents or vice presidents, and attested with their corporate seals by their respective secretaries on the date first above written.

American Telephone and Telegraph Company, by (Sd.) H. B. Thayer, President. O. K. N. T. G. Attest: (Sd.) A. A. Marsters, Secretary. (Seal.) International Telephone Sales and Engineering Corporation, by (Sd.) A. F. Adams, President. Attest: (Sd.) Charles A. Bennett, Asst. Secretary. (Seal.)

[fol. 4214]

EXTRACTS FROM EXHIBIT D-115

American Telephone and Telegraph Company

Study of License Revenue, Year 1928

License Revenue as reported to Interstate Commerce Commission		$17,622,365.17
Expenses and Costs Incurred:		
Operation expenses	$15,827,556.21	
Portion assigned to Long Lines Department	1,581,796.77	
		$14,245,759.44
Taxes		1,134,984.38
Rent and Miscellaneous		1,296,537.84
		$16,677,281.66
Carrying Charges on Office Furniture and Fixtures, Equipment, etc.—average investment for the year $1,252,659.04 @ 7.71% the average charge paid on all Capital Obligations in 1928		$96,580.01

Net Loss on Funds held available for Associated Companies average amount for 1928 $102,175,925.81 @ say 3.67%.....	$3,749,856.48

(The average rate paid for new money by the company during 1927-1928 was 8.01%. On these cash balances the company earned 4.34%, leaving a loss thereon of 3.67%.)

Net Loss incurred in Temporary (Demand Note) Financing of Associated Companies on a 5.88% basis—average for year $180,362,137.17 @ say 2.28%.....	$4,112,256.73

(The cost of new money procured by the American Company during—

3 years, 1926-1928.....	8.17%
2 " 1927-1928.....	8.01%
1 year, 1928.....	8.11%

Assume these funds cost the American Company the three-year average, of say 8.17%. It received an average of 5.89% from the Companies, leaving a net loss of 2.28%.)

Summary

Revenue		$17,622,365.17
Costs:		
Expenses	$16,677,281.66	
Carrying charges on investments.....	96,580.01	
Net loss on Funds held available.....	3,749,856.48	
Net loss on Demand Note Financing.....	4,112,256.73	
		24,635,974.88
Balance		$7,013,609.71

April 10, 1929.

[fol. 4215] American Telephone and Telegraph Company

Study of License Revenue, Year 1928

(Giving Effect to Reduction of License Revenue from 2% to 1½%)

License Revenue as reported to Interstate Commerce Commission	$17,622,365.17
Reduction on account of change in rate of payment from 2% to 1½%.....	4,408,059.14
License Revenue computed at 1½%.....	$13,214,306.03

Expenses and Costs Incurred:

Operation expenses	$15,827,556.21	
Portion assigned to Long Lines Department	1,186,347.58	
		$14,641,208.63
Taxes		556,925.45
Rent and Miscellaneous.....		1,296,537.84
		$16,494,671.92

Carrying Charge on Office Furniture and Fixtures, Equipment, etc.—average investment for the year $1,252,659.04 @ 7.71%, the average charge paid on all Capital Obligations in 1928	$96,580.01
Net Loss on Funds held available for Associated Companies Average amount for $1928 $102,175,925.81 @ say 3.67%	$3,749,856.48

(The average rate paid for new money by the company during 1927-1928 was 8.01%. On these cash balances the Company earned 4.34%, leaving a loss thereon of 3.67%.)

Net loss incurred in Temporary (Demand Note) Financing of Associated Companies on a 5.88% basis—average for the year $180,362,137.17 @ say 2.28%	$4,112,256.73

(The cost of new money procured by the American Company during—

3 years, 1926-1928	8.17%
2 " 1927-1928	8.01%
1 year, 1928	8.11%

Assume these funds cost the American Company the three-year average of say 8.17%. It received an average of 5.89% from the Companies, leaving a net loss of 2.28%.)

Summary

Revenue		$13,214,306.03
Costs:		
Expenses	$16,494,671.92	
Carrying charges on investments	96,580.01	
Net loss on funds held available	3,749,856.48	
Net loss on demand note financing	4,112,256.73	
		24,453,365.14
Balance		$11,239,059.11

April 10, 1929.

(Here follows Def. Ex. D-116, side folios 4216 and 4217)

[fol. 4216]

DEF. EX. D-116 Heiss Exhibit No. 10

American Telephone and Telegraph Company

A.—Estimate of Costs Incurred in Rendering License Contract Services*

B.—Amounts Received for License Contract Services

	1923			1924			1925			1926		
	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total
A. Costs of Rendering License Contract Services:												
Departmental:												
Development and Research	$2,841,988	.....	$2,841,988	$3,078,422	.....	$3,078,422	$3,624,850	.....	$3,624,850	$4,295,693	.....	$4,295,693
Operation and Engineering	2,550,709	.....	2,550,709	2,688,340	.....	2,688,340	2,963,159	.....	2,963,159	3,301,306	.....	3,301,306
Operation—General	213,551	.....	213,551	209,788	.....	209,788	211,565	.....	211,565	240,549	.....	240,549
Personnel	518,882	$83,860	602,742	430,646	$78,819	515,465	514,980	$88,543	603,523	601,787	$106,173	707,960
Information	598,011	36,327	634,338	660,432	33,995	694,427	705,947	34,517	740,464	833,282	24,038	857,320
Public Relations	.....	.....	.....	21,878	.....	21,878	27,751	.....	27,751	27,365	.....	27,365
Legal	664,112	95,079	759,191	662,100	84,567	746,667	668,165	112,100	780,265	659,735	90,865	750,600
Comptroller	890,194	82,379	972,573	979,922	90,815	1,070,737	1,080,077	96,643	1,176,720	1,199,257	107,357	1,306,614
Treasurer	85,363	869,498	954,861	123,205	1,134,892	1,258,097	116,199	828,715	944,914	127,102	1,254,650	1,381,752
Secretary	4,372	54,183	58,555	4,945	58,775	63,720	4,776	58,092	62,868	4,973	61,150	66,123
General Service Bureau	232,149	50,959	283,108	268,325	62,940	331,265	305,326	58,157	363,483	354,984	72,708	427,692
Sundry Items	129,861	611,555	741,416	91,149	584,935	676,084	81,301	665,056	746,357	41,374	713,361	754,735
Total Departmental Costs	$8,729,192	$1,883,840	$10,613,032	$9,225,152	$2,129,738	$11,354,890	$10,304,096	$1,941,823	$12,245,919	$11,687,407	$2,430,302	$14,117,709
Instrument Maintenance	3,219,594	.....	3,219,594	3,719,626	.....	3,719,626	4,261,771	.....	4,261,771	4,953,961	.....	4,953,961
Taxes	1,824,297	1,158,360	2,982,657	1,837,220	1,700,481	3,537,701	2,123,688	1,831,971	3,955,659	1,525,910	1,882,885	3,408,795
Cost (net) of carrying investment in physical property used in rendering License Contract Services†	1,293,984	33,734	1,327,718	1,375,142	16,600	1,391,742	1,595,791	21,893	1,617,684	1,610,280	6,100	1,616,380
Cost (net) incurred in holding funds available during year to meet cash requirements of Licensee Companies†	2,368,129	222,647	2,590,776	2,617,596	257,517	2,875,113	3,430,048	286,145	3,716,193	3,053,074	325,719	3,378,793
Cost (net) of Temporary Financing†	1,535,913	.....	1,535,913	2,259,798	805	2,260,603	2,596,087	10,192	2,606,279	2,074,265	21,100	2,095,365
Total	$18,971,109	$3,298,581	$22,269,690	$21,034,534	$4,105,141	$25,139,675	$24,311,481	$4,092,024	$28,403,505	$24,904,897	$4,666,106	$29,571,003
Deduct from "Indirect Costs" estimated amount of corporate expenses attributable to ownership of System Securities and related expenses	.....	1,000,000	1,000,000	.....	1,200,000	1,200,000	.....	1,400,000	1,400,000	.....	1,600,000	1,600,000
Total Costs incurred in rendering License Contract Services	$18,971,109	$2,298,581	$21,269,690	$21,034,534	$2,905,141	$23,939,675	$24,311,481	$2,692,024	$27,003,505	$24,904,897	$3,066,106	$27,971,003
B. Amounts Received for License Contract Services:	.....	.....	# (4-1/2%)	.....	.....	# (4-1/4%)	.....	.....	# (4-1/2%)	.....	.....	# (4%)
From Licensee Companies	.....	.....	$24,309,368	.....	.....	$26,784,492	.....	.....	$30,197,214	.....	.....	$29,850,303
From Long Lines Department	.....	.....	1,592,181	.....	.....	1,593,209	.....	.....	1,768,414	.....	.....	1,696,400
Total Receipts for License Contract Services	.....	.....	$25,901,549	.....	.....	$28,377,701	.....	.....	$31,965,628	.....	.....	$31,546,703
Balance	.....	.....	$4,631,859	.....	.....	$4,438,026	.....	.....	$4,962,123	.....	.....	$3,575,700
†Average Cost of Funds during year	.....	.....	6.87%	.....	.....	6.85%	.....	.....	6.93%	.....	.....	6.83%

* These costs do not include any amounts for Contingencies.

Represents per cent of certain gross revenues, received as per License Contract.

Apr. 17, 1931.

[fol. 4217]

American Telephone and Telegraph Company

A.—Estimate of Costs Incurred in Rendering License Contract Services*

B.—Amounts Received for License Contract Services

	1927			1928			1929			1930		
	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total	Direct Costs	Indirect Costs	Total
A. Costs of Rendering License Contract Services:												
Departmental:												
Development and Research	$5,386,349		$5,386,349	$5,526,817		$5,526,817	$7,090,199		$7,090,199	$9,556,804		$9,556,804
Operation and Engineering	3,562,940		3,562,940	3,813,983		3,813,983	4,102,105		4,102,105	4,340,568		4,340,568
Operation—General	233,029		233,029	254,250		254,250	268,793		268,793	277,792		277,792
Personnel	805,419	$132,996	938,415	784,693	$139,725	924,418	896,496	$159,810	1,056,306	926,338	$173,935	1,100,273
Information	759,142	30,555	789,697	996,146	37,852	1,033,998	1,314,266	32,904	1,347,170	1,318,276	33,335	1,351,611
Public Relations	27,471		27,471	27,878		27,878	35,741		35,741	49,467		49,467
Legal	720,319	76,415	796,734	936,315	93,015	1,029,330	591,505	101,222	692,727	861,264	105,767	967,031
Comptroller	1,295,176	117,055	1,412,231	1,359,470	125,001	1,484,471	1,435,557	131,265	1,566,822	1,561,324	143,338	1,704,662
Treasurer	194,147	908,983	1,103,130	193,483	1,454,743	1,648,226	191,899	1,399,164	1,591,063	337,044	2,162,630	2,499,674
Secretary	5,076	58,558	63,634	5,397	63,066	68,463	5,847	63,501	69,348	6,178	62,206	68,384
General Service Bureau	379,196	61,729	440,925	391,442	74,560	466,002	426,758	81,287	508,045	460,776	94,376	555,152
Sundry Items	57,148	819,776	876,924	25,783	751,299	777,082	25,811	778,116	803,927	249,099	766,467	1,015,566
Total Departmental Costs	$13,425,412	$2,206,067	$15,631,479	$14,315,657	$2,739,261	$17,054,918	$16,384,977	$2,747,269	$19,132,246	$19,944,930	$3,542,054	$23,486,984
Instrument Maintenance	5,217,807		5,217,807									
Taxes	2,196,068	1,144,002	3,340,070	285,189	1,386,683	1,671,872	94,405	923,697	1,018,102	26,611	962,287	988,898
Cost (net) of carrying investment in physical property used in rendering License Contract Services†	1,575,642	6,047	1,581,689	40,331	7,442	47,773	42,924	7,409	50,333	45,920	8,022	53,942
Cost (net) incurred in holding funds available during year to meet cash requirements of Licensee Companies†	2,464,839	330,243	2,795,082	2,519,440	325,934	2,845,374	980,607	357,018	1,337,625	4,188,557	390,432	4,578,989
Cost (net) of Temporary Financing†	1,827,556	12,053	1,839,609	1,039,700	11,730	1,051,430	2,444,214	8,322	2,452,536	1,134,848	2,602	1,137,450
Total	$26,707,324	$3,698,412	$30,405,736	$18,200,317	$4,471,050	$22,671,367	$19,947,127	$4,043,715	$23,990,842	$25,340,866	$4,905,397	$30,246,263
Deduct from "Indirect Costs" estimated amount of corporate expenses attributable to ownership of System Securities and related expenses		1,800,000	1,800,000		2,000,000	2,000,000		2,250,000	2,250,000		2,500,000	2,500,000
Total Costs incurred in rendering License Contract Services	$26,707,324	$1,898,412	$28,605,736	$18,200,317	$2,471,050	$20,671,367	$19,947,127	$1,793,715	$21,740,842	$25,340,866	$2,405,397	$27,746,263
B. Amounts Received for License Contract Services			※(4%)			※(2%)			※(1½%)			※(1½%)
From Licensee Companies			$32,454,652			$17,622,365			$14,455,588			$15,025,890
From Long Lines Department			1,788,032			1,581,797			1,422,935			1,485,249
Total Receipts for License Contract Services			$34,242,684			$19,204,162			$15,878,523			$16,511,139
Balance			$5,636,948			‡$1,467,205			‡$5,862,319			‡$11,235,124
†Average Cost of Funds during year			6.86%			6.55%			6.53%			6.25%

* These costs do not include any amounts for Contingencies.
※ Represents per cent of certain gross revenues, received as per License Contract.
‡ Red figures.

April 17, 1931.

American Telephone and Telegraph Company

1.—Estimate of Costs Incurred in Rendering License Contract Services:

2.—Amounts Received for License Contract Services

1931

	Direct Costs (i. e. Costs Definitely Allocable to License Contract Services)	Indirect Costs (i. e. Costs Incurred Jointly for (a) License Contract Services and (b) Other Activities)	Total
1. Costs of Rendering License Contract Services:			
Departmental:			
Development and Research	$8,882,166	$ 0	$8,882,166
Operation and Engineering	4,234,967	0	4,234,967
Operation—General	273,631	0	273,631
Personnel	927,187	153,508	1,080,695
Information	1,268,162	39,318	1,307,480
Public Relations	38,439	0	38,439
Legal	817,142	98,483	915,625
Comptroller	1,567,221	124,854	1,692,075
Treasurer	351,456	1,300,826	1,652,282
Secretary	5,128	51,215	56,343
General Service Bureau	450,493	67,315	517,808
Sundry Items (Including Administration)	25,559	726,212	751,771
a) Total Departmental Costs	$18,841,551	$2,561,731	$21,403,282
b) Instrument Maintenance	0	0	0
c) Taxes	42,352	1,495,008	1,537,360
d) Cost (net) of carrying investment in physical property used in rendering License Contract Services‡	51,703	6,834	58,537
e) Cost (net) incurred in holding funds available during year to meet cash requirements of Licensee Companies‡	3,820,591	561,866	4,382,457

American Telephone and Telegraph Company

1.—Estimate of Costs Incurred in Rendering License Contract Services

2.—Amounts Received for License Contract Services

	1931		
	Direct Costs (i. e. Costs Definitely Allocable to License Contract Services)	Indirect Costs (i. e. Costs Incurred Jointly for (a) License Contract Services and (b) Other Activities)	
f) Cost (net) of Temporary Financing‡	$ 1,706,913	$ 2,615	$ 1,709,528
g) Total	$24,463,110	$4,628,054	$29,091,164
h) Deduct from "Indirect Costs" estimated amount of corporate expenses attributable to ownership of System Securities and related expenses ("Other Activities")	.....	2,500,000	2,500,000
i) Total Costs incurred in rendering License Contract Services	$24,463,110	$2,128,054	$26,591,164
2. Amounts Received for License Contract Services:			
From Licensee Companies	.....	.....	*(1½%) $14,718,361
From Long Lines Department	.....	.....	1,417,094
Total Receipts for License Contract Services	.....	.....	$16,135,455
Balance	.....	.....	$10,455,709*
‡ Average Cost of Funds during year	.....	.....	6.42%

: These costs do not include any amounts for contingencies.
* Red Figure.
* Represents per cent of certain gross revenues, received as per License Contracts.

(Here follow side folios 4219-4222)

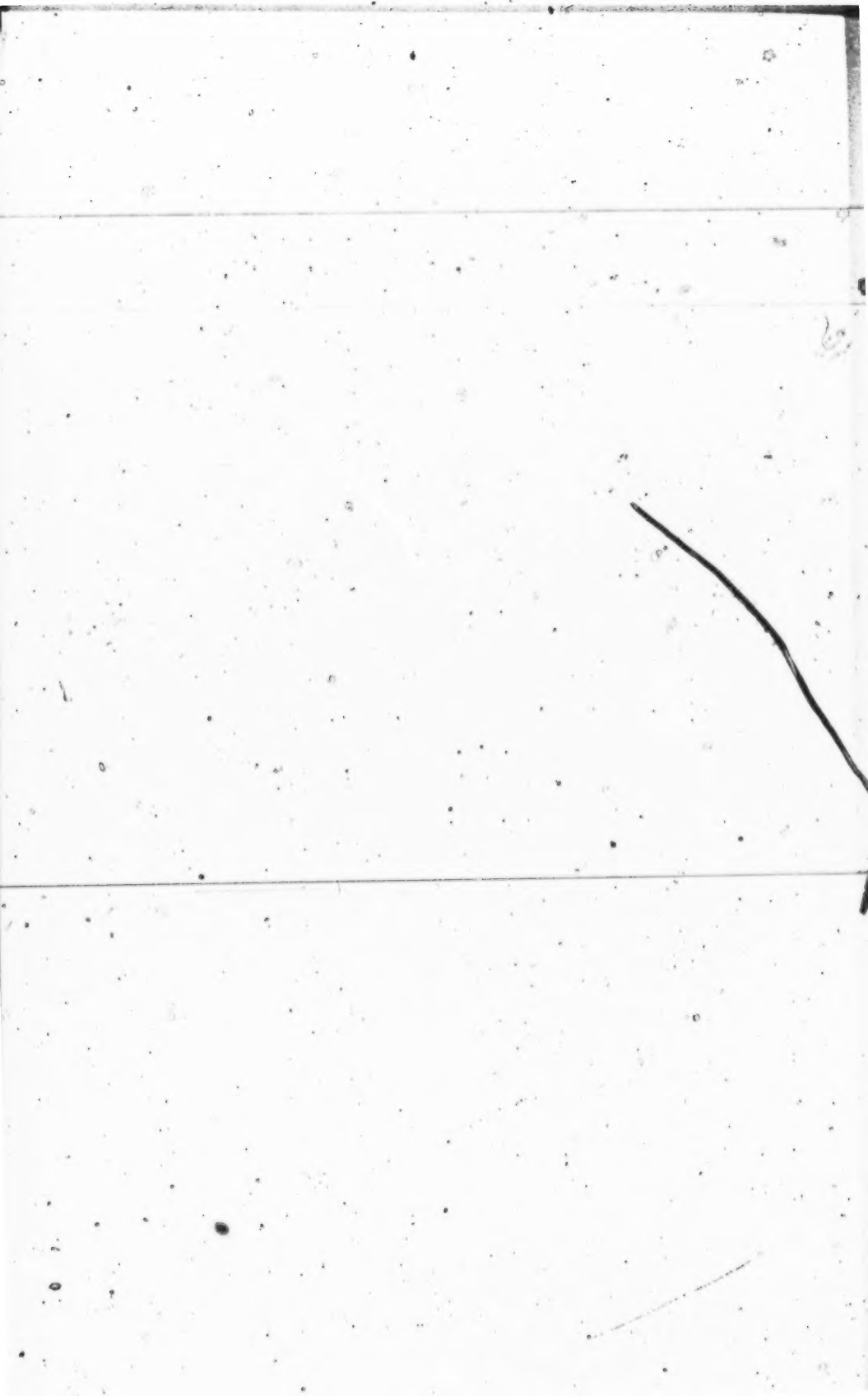

EXHIBIT D-119

HISTORICAL DATA FOR MORTALITY STUDY OF CENTRAL OFFICE EQUIPMENT

3774A

NAME OF CENTRAL OFFICE ..... NAME OF EXCHANGE ..... COMPANY ..... TYPE OF SWITCHBOARD .....

CALENDAR YEAR (a)	ACTUAL GROSS ADDITIONS (b)	ACTUAL RETIREMENTS AMOUNT (c)	ACTUAL RETIREMENTS YEAR INSTALLED (d)	INDEX NUMBERS FOR GROSS ADDITIONS (e)	INDEX NUMBERS FOR RETIREMENTS (f)	ADJUSTED GROSS ADDITIONS (g)	ADJUSTED RETIREMENTS (h)	ADJUSTED AMOUNT IN SERVICE ON DEC. 31 OF EACH YEAR (i)	(j)	(k)	(l)	(m)
1926	378 077	93						377 984	188992	188992	378077	.50
1927	212.667	391						590,260	177992	673 114	540 784	1.14
1928	21,828	1,269						610,819	305410	1,273,654	612 572	2 08
1929	12,840	3,211						620,448	310224	1,889,287	625 412	3 02
1930	61,300	400						681 348	340674	2 540 185	686 712	70
1931	71,000	3,100						749 248	374624	3,255,483	757,212	4 36
1932	289,300	4,200						1,034 348	517174	4,145,281	1,047,012	3 96
1933	109,200	3,500						1,140 048	570024	6,234,477	1,156,212	4 53
1934	170,000	700						1,309 348	654674	6,459,177	1,326,212	4 87
1935	95,000	200						1,404 148	702074	7,815,225	1,421,212	5 50
1936	87 700	300						1,491,648	745824	9,263,823	1 508 912	6 14
1937	91,600	300						1,582 948	791474	10,801,121	1,622,512	6 76
1938	86,000	400						1,668 648	834324	12,426,869	1,686,512	7.37
1939	69.900	200						1,738 248	869124	14,130,267	1,756 412	8 04
1940	63,800	200						1,801 848	900924	15,900,315	1,820,212	8 74
1941	51,900	100						1,853 648	926824	17,728,063	1,872 112	9.47
1942	56,300	500						1,909 448	954724	19,609,611	1,928 412	10.17
1943	55,000	300						1964 148	982074	21,546,409	1,983 412	10 36
1944	26000	1,990 148						0	995 574	22,528 483	2 009 412	11.21

HISTORICAL DATA FOR MORTALITY STUDY OF BUILDINGS

NAME OF BUILDING

NAME OF EXCHANGE

COMPANY

TYPE OF BUILDING

3774B

CALENDAR YEAR	ACTUAL GROSS ADDITIONS	ACTUAL RETIREMENTS	INDEX NUMBERS FOR GROSS ADDITIONS	INDEX NUMBERS FOR RETIREMENTS	ADJUSTED GROSS ADDITIONS	ADJUSTED RETIREMENTS	ADJUSTED AMOUNT IN SERVICE ON DEC. 31 OF EACH YEAR	AVERAGE AMOUNT IN SERVICE EACH YEAR	ACCUMULATIVE DOLLAR YEARS – DEC. 31 OF EACH YEAR	ACCUMULATIVE GROSS ADDITIONS DEC. 31 OF EACH YEAR	AVERAGE REALIZED LIFE DEC. 31 OF EACH YEAR
1926	235,560						235,560	117,780	117,780	235,560	.50
1927	1,826	341					237,045	118,522	354,082	237,386	1.49
1928	656						237,701	118,851	591,455	238,042	2.48
1929	179						237,880	118,940	829,246	238,221	3.48
1930							237,880	118,940	1,067,126	238,221	4.48
1931	152,000	10,000					379,880	189,940	1,376,606	390,221	3.53
1932							379,880	189,940	1,755,886	390,221	4.50
1933							379,880	189,940	2,135,766	390,221	5.47
1934							379,880	189,940	2,515,646	390,221	6.45
1935							379,880	189,940	2,895,526	390,221	7.42
1936							379,880	189,940	3,275,406	390,221	8.39
1937							379,880	189,940	3,655,286	390,221	9.37
1938							379,880	189,940	4,035,166	390,221	10.34
1939							379,880	189,940	4,415,046	390,221	11.31
1940							379,880	189,940	4,794,926	390,221	12.29
1941							379,880	189,940	5,174,806	390,221	13.26
1942							379,880	189,940	5,554,686	390,221	14.23
1943							379,880	189,940	5,934,566	390,221	15.21
1944	645,000	75,000					949,880	474,940	6,599,446	1,035,221	6.37
							949,880	474,940	7,549,326	1,035,221	7.29
							949,880	474,940	8,499,206	1,035,221	8.21
							949,880	474,940	9,449,086	1,035,221	9.13
							949,880	474,940	10,398,966	1,035,221	10.05
							949,880	474,940	11,348,846	1,035,221	10.96
							949,880	474,940	12,298,726	1,035,221	11.88
							949,880	474,940	13,248,606	1,035,221	12.80
							949,880	474,940	14,198,486	1,035,221	13.72
							949,880	474,940	15,148,366	1,035,221	14.63
1954	95,000	10,000					1,034,880	517,440	16,140,746	1,130,221	14.28
							1,034,880	517,440	17,175,626	1,130,221	15.20
							1,034,880	517,440	18,210,506	1,130,221	16.11
							1,034,880	517,440	19,245,386	1,130,221	17.03
							1,034,880	517,440	20,280,266	1,130,221	17.94
1959							1,034,880	517,440	21,315,146	1,130,221	18.86

4220

HISTORICAL DATA FOR MORTALITY STUDY OF BUILDINGS

NAME OF BUILDING

NAME OF EXCHANGE

ILLINOIS BELL TELEPHONE COMPANY

TYPE OF BUILDING

CALENDAR YEAR	ACTUAL GROSS ADDITIONS	ACTUAL RETIREMENTS	INDEX NUMBERS FOR GROSS ADDITIONS	INDEX NUMBERS FOR RETIREMENTS	ADJUSTED GROSS ADDITIONS	ADJUSTED RETIREMENTS	ADJUSTED AMOUNT IN SERVICE ON DEC. 31 OF EACH YEAR	AVERAGE AMOUNT IN SERVICE EACH YEAR	ACCUMULATIVE DOLLAR YEARS DEC. 31 OF EACH YEAR	ACCUMULATIVE GROSS ADDITIONS DEC. 31 OF EACH YEAR	AVERAGE REALIZED LIFE DEC. 31 OF EACH YEAR
1960							1,034,880	[illegible]	22,350,026	1,130,221	19.77
							1,034,880	[illegible]	23,364,906	1,130,221	20.69
							1,034,880	[illegible]	24,419,786	1,130,221	21.61
							1,034,880	[illegible]	25,459,666	1,130,221	22.52
1964	100,000	11,000					1,123,880	[illegible]	26,534,046	1,230,221	21.57
							1,123,880	[illegible]	27,657,926	1,230,221	22.48
							1,123,880	[illegible]	28,781,806	1,230,221	23.40
							1,123,880	[illegible]	29,905,686	1,230,221	24.31
							1,123,880	[illegible]	31,029,566	1,230,221	25.22
							1,123,880	[illegible]	32,153,446	1,230,221	26.14
							1,123,880	[illegible]	33,277,326	1,230,221	27.05
							1,123,880	[illegible]	34,401,206	1,230,221	27.96
							1,123,880	[illegible]	35,525,086	1,230,221	28.87
							1,123,880	[illegible]	36,648,966	1,230,221	29.79
1974	62,000	9,000					1,176,880	[illegible]	37,799,346	1,292,221	29.25
							1,176,880	[illegible]	38,976,226	1,292,221	30.16
							1,176,880	[illegible]	40,153,106	1,292,221	31.07
							1,176,880	[illegible]	41,329,986	1,292,221	31.98
							1,176,880	[illegible]	42,506,866	1,292,221	32.89
							1,176,880	[illegible]	43,683,746	1,292,221	33.81
							1,176,880	[illegible]	44,860,626	1,292,221	34.72
							1,176,880	[illegible]	46,037,506	1,292,221	35.63
							1,176,880	[illegible]	47,214,386	1,292,221	36.54
							1,176,880	[illegible]	48,391,266	1,292,221	37.45
1984		1,176,880					0	0	48,979,706	1,292,221	37.90

DEFENDANT'S EXHIBIT D-121

HISTORICAL DATA FOR MORTALITY STUDY OF CENTRAL OFFICE EQUIPMENT

Exhibit
CM.16.06
No. 1 Common Battery

ILLINOIS BELL TELEPHONE CO.

CALENDAR YEAR	ACTUAL GROSS ADDITIONS	ACTUAL RETIREMENTS AMOUNT	ACTUAL RETIREMENTS YEAR INSTALLED	INDEX NUMBERS FOR GROSS ADDITIONS	INDEX NUMBERS FOR RETIREMENTS	ADJUSTED GROSS ADDITIONS	ADJUSTED RETIREMENTS	ADJUSTED AMOUNT IN SERVICE ON DEC. 31 OF EACH YEAR				
1914	77,147	17						77,131		38,566	77,148	.50
1915	926	361						77,749		116,066	78,074	1.49
1916	456	77						78,128		193,944	78,530	2.47
1917	725	100						78,753		272,385	79,255	3.44
1918	15,184	1,434						92,403		357,963	94,339	3.79
1919	2,151	60						94,501		451,415	96,497	4.61
1920	1,824	107						95,818		546,574	97,921	5.54
1921	9,612	589						104,911		646,939	107,603	6.01
1922	25,081	412						129,590		764,159	132,684	5.71
1923	78,435	910						207,115		932,542	211,119	4.42
1924	5,464	684						211,835		1,142,013	216,523	5.27
1925	162,192	502						313,505		1,904,667	318,695	4.41
1926	55,470	33,210						335,765		1,729,322	374,165	4.62
1927	47,510	1,922						381,423		2,087,916	421,745	4.05
1928	119,344	1,356						499,381		3,528,318	541,089	4.67
1929	58,074							557,455		3,056,736	599,163	5.10
1930	76,500	300						633,655		3,652,291	675,663	5.41
1931	83,300	2,500						714,455		4,326,346	758,963	5.70
1932	80,800	3,100						792,155		5,079,651	839,763	6.03
1933	93,500	2,900						882,755		5,917,106	933,263	6.34
1934	88,100	600						970,255		6,893,611	1,021,363	6.70
1935	65,000	100						1,035,155		7,846,316	1,036,363	7.22
1936	54,400	200						1,089,355		8,908,571	1,140,763	7.81
1937	49,500	300						1,138,655		10,132,576	1,190,263	8.42
1938	43,000	300						1,181,355		11,182,581	1,239,263	9.07
1939	34,000	200						1,215,155		12,380,836	1,267,263	9.77
1940	22,000	1,251,155						0	0	12,984,413	1,303,263	9.97

Bently

[fol. 4223]

EXHIBIT D-122

American Telephone and Telegraph Company

Instrument Credit, Bell System

	1923	1924	1925	1926	1927
1. Average Current Cost	$36,712,948	$42,095,239	$46,392,461	$48,421,792	$46,937,162
2. Actual Depreciation (8% of Item 1)	2,937,036	3,367,619	3,711,397	3,873,743	3,754,973
3. Current Cost less 8% Depreciation (Item 1 less Item 2)	33,775,912	38,727,620	42,681,064	44,548,049	43,182,189
4. Depreciation Expense—7% of Current Cost (Item 1)	2,569,906	2,946,667	3,247,472	3,389,525	3,285,601
5. Return on Current Cost less 8% Depreciation (8% of Item 3)	2,702,073	3,098,210	3,414,485	3,563,844	3,454,575
6. Total, Items 4 and 5	5,271,979	6,044,877	6,661,957	6,953,369	6,740,176
7. Margin for Additional Instruments (6% of Item 6)	316,319	362,693	399,717	417,202	404,411
8. Instrument Repairs	1,086,422	1,328,873	1,613,737	2,033,810	2,066,815
9. Total, Items 6, 7 and 8	6,674,720	7,736,443	8,675,411	9,404,381	9,211,402

[fol. 4224] EXHIBIT D-123

The Straight-line Depreciation Accounting Practice of Telephone Companies in the United States

(Paper Presented to International Congress on Accounting, New York, September 9-14, 1929)

When the telephone business originated, a little over fifty years ago, electrical science was in its infancy.

There was no accumulated knowledge or experience to which the telephone engineer could have recourse; indeed there was no such person as an electrical engineer as we use the term today. There was no college which taught electrical engineering. There were no electric power lines, no trolley cars.

The telephone was not an improvement upon something previously existing—it was wholly new and strange. When the instruments were made commercially available, the whole science and art of telephony was still to be created. There was no switchboard, no signalling apparatus, no knowledge regarding the telephone line circuit or indeed of any of the facts that have since been found needed to make the telephone a reliably useful thing.

Everything had to be worked out and energetic research and development work brought a continuous flow of inventions. Equipment which had been the best yesterday was today dethroned by something later and better.

In addition to rapid advances in the art affecting all parts of the investment, telephone plants in the open were partially destroyed by storms or other casualties. The great enemy of the outdoor plant proved to the the sleet storm.

The early telephone wire lines in cities, which were almost exclusively aerial, soon became unsightly and incon-
[fol. 4225] venient and as the size of the plants increased public convenience and necessity were served by the progressive substitution of aerial cables for open wires and later by the introduction of underground conduits and cables which removed many of the lines from sight altogether.

Early Recognition of Depreciation by Telephone Men

Telephone men were thus early brought to a realization that the maintenance cost of providing telephone service

included something more than the day-to-day upkeep of the property; it included the cost occasioned by the using up of major portions of the property.

The first circular recommending a system of telephone accounts was sent out by the American Bell Company to its various local licensee companies throughout the coutry in 1884. Written at a time when depreciation accounting had generally received but scant attention in the business and industrial concerns of America, this circular clearly recognized depreciation as a cost of operation. It said, in part:

* * * It is certain that the present expense for Repairs and Reconstruction is not proportionate to the actual deterioration of property and that in future years the revenue of most companies will be subjected to much heavier charges on this account. It is suggested that a reserve fund be set apart, to which shall be carried such part of the annual profits as represents the estimated amount of yearly depreciation not covered by the expenditure on account of Repairs and Reconstruction.

A depreciation rate of 10% was suggested in this circular as a reasonable composite rate for all classes of telephone property taken together.

Neglect of depreciation was one of the historical causes of financial disaster to many of the smaller telephone companies in the United States and the ability of the companies of the Bell System and various of the independent companies to maintain themselves is undoubtedly traceable [fol. 4226] in part to a better perception of the nature of depreciation in the operating property.

Present Accounting

About the years 1908 to 1910 the Bell Companies generally were making provision for depreciation by charging operating expenses with the difference between (a) the amount of depreciation expense computed by the application to the property in use during the year of the current depreciation rates and (b) the amount of depreciation overcome by that year's reconstruction. Since that time, the general practice has been to charge operating expense and credit depreciation reserve with the full amount of the accruing depreciation for the year and to charge against the

accumulated reserve the losses on property retired; all depreciation transactions being thus mirrored by the reserve.

In 1912, the Interstate Commerce Commission promulgated a Uniform System of Accounts, mandatory for use after December 31st of that year by all of the larger telephone companies throughout the United States. The mandatory system (still in effect) required the use of depreciation reserve accounting and assigned depreciation to the operating expenses as a branch of Maintenance; the annual depreciation charges against earnings to be in such amounts as should distribute, as nearly as may be, evenly throughout the service life of the property, the cost of property consumed in operations. This is accomplished by the "Straight-Line" method.

The formal recognition of depreciation as an operating expense by the government authorities was very satisfactory to the telephone accountants at the time, for in view of the characteristics of the telephone business, they regarded—as indeed they still do—a sound method of depreciation accounting as imperative for it.

The universal agreement on this point among both [fol. 4227] Bell and independent telephone companies and the government experts is significant.

Characteristics of Depreciable Telephone Property

Some of the characteristics of the telephone business of importance in this relation are:

Growth

The business has increased in a half century amazingly. Beginning with a few hundred thousand dollars in 1878, the Bell Companies had in 1917 plants which had a first cost of over one billion dollars. From 1917 to 1923 another billion dollars was added, as net property additions. At pres- [fol. 4228] ent these companies have more than three and a quarter billions of dollars of telephone property and the four billion mark will be passed shortly after the close of this decade. The telephone companies not comprised in the Bell System also have very considerable growing property investments.

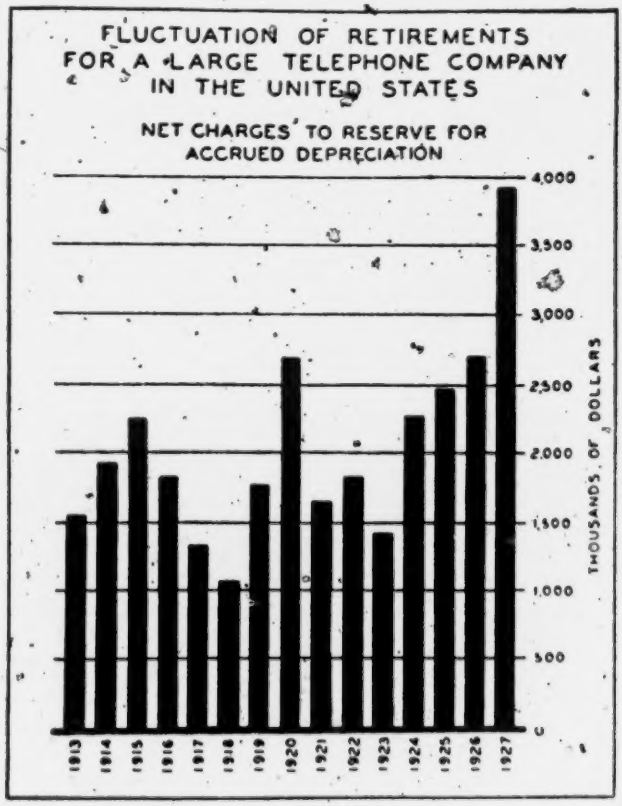

FIG. 4

Short Service Life

Due to wear and tear, changes in the art, storms and casualties, public requirements and above all to inadequacy due to growth of the service, most telephone plant has a relatively short service life; the average composite life of the plant as a whole, excluding underground conduit being less than fifteen years.

Fluctuation in Retirements

Retirements are by no means uniform from year to year. They fluctuate over a wide range, not merely for the individual classes of plant, but for all of the classes taken together. The annual fluctuations are so serious that if the net retirement charges for the year were taken into the operating expenses in lieu of the proper depreciation accrual, these expenses—in addition to seriously understating the true expense of depreciation—would be highly irregular.

Location of Property

A large percentage of telephone property is placed upon premises not under the control of the telephone company, such as public buildings, highways and alleys and the premises of its individual subscribers. This property is subject to the changing conditions affecting such public or private property, as well as to ordinary depreciation hazards.

With these special characteristics of the telephone business in view, the suitability of the straight-line method will be apparent probably to most accountants. But not everyone is an accountant and it has frequently been necessary [fol. 4229] to explain and to defend the fundamental soundness of the depreciation rules of the telephone companies.

The Theory of "Straight-line" Telephone Depreciation

The Bell System's position in respect of straight-line depreciation accounting admits of very simple statement.

The operating expenses to be entire must reflect the cost of all of the things purchased and used up in conducting the operations. This includes the cost of some things which are used up at once or in a short time, such as operating labor, lunch room supplies, coal or stationery; and of other things which are used up slowly, such as tools, furniture, automobiles, poles and switchboards. The ultimate cost of a service must include the cost of everything used up in furnishing it, and if a telephone company in the rendition of its telephone service uses up any property, then the cost of that property is necessarily a part of the cost of that service.

The function of the accounts is to record the facts as to the transactions of the company. Any item of operating cost is an operating expense. If any item of such cost is omitted from the operating expenses they will not reflect the facts. Granting that the cost of property used up is operating expense, the next question which presents itself is as to the time when the expense should be charged in the accounts. It is a fundamental rule of accounting that charges for expense should be made to the accounts of the period to which the expense relates and for the benefit of which it has been incurred. The expense of depreciation is incurred within the period when the property is being employed to render the service. It should therefore be charged to operating expenses within that period.

In the case of depreciable property of long life, the books must be opened and closed many times during the life term [fol. 4230] and so the further problem arises as to how the accounts of each period can be made to provide equitably for the cost of the property which is being consumed. The straight-line method meets this problem simply, effectively and equitably. The company charges off against its revenues the actual net capital loss and only that loss, as nearly as it may be determined, and it charges to the operating expenses of any period only that proportion of the loss which is measured by the length of that period as related to the length of the entire useful life of the property lost. This practice is equitable because it reflects expense in the operating costs of successive accounting periods, only for such depreciable property as is in use for the benefit of these periods, and in an amount which is uniform and fair for each period, taken either separately or in combination with others.

There is nothing anomalous in the way this item of expense is treated under such a plan. It is the general practice to accrue within a term any expense incurred for that term regardless of when the cost is paid, whether in advance or in arrears. Taxes are accrued during the period to which the tax relates. Insurance premiums are apportioned to accounts over the life term of the policy. The same rule is followed with bond discounts and many other items. However, we should not insist that time is the sole unit of measurement applicable to the straight-line method. It has proven, so far, a quite suitable unit for employment in the telephone business, where the production and use of the service are continuous and variation in the extent of operating use causes as a rule but slight variation in the rate of wear and tear of the equipment. It is easy to conceive of cases in which the extent of use of depreciable property oscillates, or even fluctuates, widely in successive periods, and there are many industries where wear and tear is a major factor in depreciation closely associated with a varying extent of use.

The straight-line method is sufficiently versatile to per- [fol. 4231] mit the employment of time in active operation, volume of output and similar units of measurement.

It is, of course, evident from what has just been said that the Bell System depreciation reserve is a retirement re-

serve, not a replacement reserve. Under the theory as stated, the amount or replacements cannot affect the amount of this depreciation expense. It is what the company loses in the way of original capital consumed which determines the amount of the loss, which would be exactly the same regardless of whether or not replacements are made. Telephone companies moreover seldom make replacements in kind, some other or different equipment or construction being usually necessary. It would be impossible to estimate years ahead what replacement costs are going to be, and in any event, it is fairly certain that investors in telephone securities are not primarily interested in property as such but are interested in safeguarding the money invested in the property which so far as it will some day be lost in operations, is therefore what should be covered by the depreciation provision.

Relation of Current Maintenance to Depreciation

We define depreciation for accounting purposes as the expense occasioned by the using up of physical property employed as fixed capital. This results in a complementary definition of current maintenance as the expense occasioned by keeping such physical property in condition necessary for continued use during its service life. These definitions seem to have the simplicity and clearness characteristic of good definitions. Of course, in practice some minor concession has to be made to economy and convenience. It is the aim of the accountants of the Bell System, as it is of accountants generally, to produce results as correct as possible with reasonable limitation of expenditure for accounts and records.

[fol. 4232] Units of Property

On this account it is the practice in specifying the items of property to be given depreciation treatment to exclude minor and inconsequential items which can be safely accounted for as part of or auxiliary to the items which are specified. For example: In the aerial cable plant, the main expenditure is for the aerial cable itself, while a minor part of the total cost is made up of suspension strand wire, clamps, rings and other hardware. The unit of property selected for depreciation purposes is: "One span of aerial

cable"—one span being the length of cable suspended between two poles. If one or more spans of cable are retired, the cost of property lost is charged to the depreciation reserve and this charge covers the associated suspension strand, clamps, rings, etc. But if any amount of strand, clamps or rings is renewed to keep the composite cable structure in good working condition during the service life of the aerial cable which is the principal constituent of the structure, the charge is to current maintenance. It is not the custom to allow suspension strand and rings to remain standing in the plant after the retirement of the aerial cable which they were erected to support, but in the unlikely event that such items should so stand for a considerable time and be eventually retired by themselves, no retirement entry would be necessary for them, because the proper amount of such auxiliary items is included in the average retirement unit cost for the aerial cable.

Average Unit Costs

Generally speaking, the retirement unit costs used in the Bell System are averages of original cost per unit, so calculated and recalculated currently that if, for example, all the units in the cable account with their associated elements were to be instantaneously retired from service, the accounting procedure would then and there empty the asset account for cable, leaving it at zero. This plan gives assur- [fol. 4233] ance, on the basis of averages, that no physical property costs remain in the asset accounts after the physical property itself has in fact gone out of service.

Property Individualized

In the case of buildings, large switchboards and machines and certain other items which can be conveniently individualized for accounting purposes, actual original cost is maintained and it is not necessary to resort to the use of average costs.

Ascertainment of Service Lives on the "Group" Basis

A very imporant consideration in modern depreciation accounting is the problem of group treatment.

Our good accounting books tell us that the factors which enter into straight-line accounting for depreciation are,

first, the cost of the property; second, the net salvage or junk value realizable upon the retirement of the property and third, the life in service, represented by the number of accounting periods within which the service life of the property is comprised. The proportion of expense chargeable to any single period is the consumable portion of original cost (total cost, less salvage) divided by the number of periods involved.

The amount of depreciation chargeable annually on this basis divided by the original cost of the depreciable property is the annual depreciation rate.

This is fairly simple, but a complex situation arises in actual practice because in large modern undertakings the items become so exceedingly numerous. For example, one of the large companies of the Bell System has over 721,020 poles, 12,000,000 conductor miles of wire and over 2,000,000 sets of subscribers' instruments.

It is impossible to deal with the individual service life of each item, such as a pole or a telephone instrument. It is necessary to study the behavior of large groups of such items.

(Here follows side folio 4234)

THE "GROUP" BASIS

PRO FORMA CALCULATION OF GROUP DEPRECIATION RATE AND RESULTING ACCOUNTING TREATMENT

UNITS	SERVICE YEARS	UNIT YEARS
5	.5	2.5
7	1.5	10.5
8	2.5	20.0
10	3.5	35.0
15	4.5	67.5
33	5.5	182.5
60	6.5	390.0
90	7.5	675.0
120	8.5	1,020.0
150	9.5	1,425.0
150	10.5	1,575.0
120	11.5	1,380.0
90	12.5	1,125.0
60	13.5	810.0
35	14.5	507.5
15	15.5	232.5
10	16.5	165.0
8	17.5	140.0
7	18.5	129.5
5	19.5	97.5
1,000	x	10,000.0
10,000 ÷ 1,000 = 10 YEARS		

YEAR	INVESTMENT AT BEGINNING OF YEAR (a)	RETIREMENTS DURING YEAR (b)	AVERAGE INVESTMENT DURING YEAR (c)	ANALYSIS OF ENTRIES PASSING THROUGH "DEPRECIATION RESERVE" ACCOUNT — ENTRIES* CREDITS (d)	ENTRIES* DEBITS (e)	BALANCE — ANNUAL NET CREDITS (f)	ANNUAL NET DEBITS (g)	CUMULATIVE NET CREDIT (h)
1	$1,000	$ 5.00	$997.50	$ 99.75	$ 5.00	$94.75	$	$ 94.75
2	995	7.00	991.50	99.15	7.00	92.15		186.90
3	988	8.00	984.00	98.40	8.00	90.40		277.30
4	980	10.00	975.00	97.50	10.00	87.50		364.80
5	970	15.00	962.50	96.25	15.00	81.25		446.05
6	955	35.00	937.50	93.75	35.00	58.75		504.80
7	920	60.00	890.00	89.00	60.00	29.00		533.80
8	860	90.00	815.00	81.50	90.00		8.50	525.30
9	770	120.00	710.00	71.00	120.00		49.00	476.30
10	650	150.00	575.00	57.50	150.00		92.50	383.80
11	500	150.00	425.00	42.50	150.00		107.50	276.30
12	350	120.00	290.00	29.00	120.00		91.00	185.30
13	230	90.00	185.00	18.50	90.00		71.50	113.80
14	140	60.00	110.00	11.00	60.00		49.00	64.80
15	80	35.00	62.50	6.25	35.00		28.75	36.05
16	45	15.00	37.50	3.75	15.00		11.25	24.80
17	30	10.00	25.00	2.50	10.00		7.50	17.30
18	20	8.00	16.00	1.60	8.00		6.40	10.90
19	12	7.00	8.50	.85	7.00		6.15	4.75
20	5	5.00	2.50	.25	5.00		4.75	
21								
TOTAL		$1,000.00		$1,000.00	$1,000.00			

*CONTRA OF CHARGES TO EXPENSE ACCOUNT "DEPRECIATION"

Fig. 5.

[fol. 4235] The first step obviously is to make such division of the asset accounts into certain groups as will insure reasonable homogeneity in the groups. The Uniform System of Accounts does this. Pole Lines are in one account, Aerial Cables in another, Open Wire in another. Subscribers' station apparatus, private branch exchanges and telephone booths are each in a separate account.

Let us consider the pole line account. As soon as we propose an accounting on the basis of groups of poles, we are faced with the fact that of the poles going into the plant in any one year, some will have a much longer life than others. Some poles will be retired because of storms, others because of public convenience, others because of the substitution of underground for overhead distribution. There will be a wide dispersion of retirements.

We have also to consider that as soon as a pole is physically retired its cost must be removed from the fixed capital account and so the depreciation rate must be applied to a changing quantity of poles. As to the group of poles installed in any one year, it will be applied always to the remainder, continually growing less, of the original number of poles. The whole of the book account for poles will cover the remainders of many such groups of poles, one group for each year of original installation.

Analogy to Life Insurance

The problem of determining average service lives for telephone plant where there is a substantial variation in age at retirement is similar to that of the life insurance actuary in determining the expectation of human life. The recorded experience upon which the studies of the life insurance actuary are based, covers large numbers of men. It shows, first, out of the total number of individuals constituting the group under observation how many were [fol. 4236] alive in each year of age and therefore "exposed to the risk of dying," to use an actuarial expression, during that year, and second, how many actually did die during each year of age. Based upon this information the life insurance actuary is able to compute rates of human mortality by age and from these to determine the related expectation of life. This latter determination is based upon the calculation of a "Life Table" consisting of a series of figures which show for an initial group of indi-

viduals at a given age the number who will survive for each successive year of age thereafter.

[fol. 4237] The ratio between the number dying in any one year and the number exposed to the risk of dying constitutes "the mortality rate" for that year of age. There is a well developed actuarial procedure by which a series of such mortality rates by age can be converted into a life expectancy for the group.

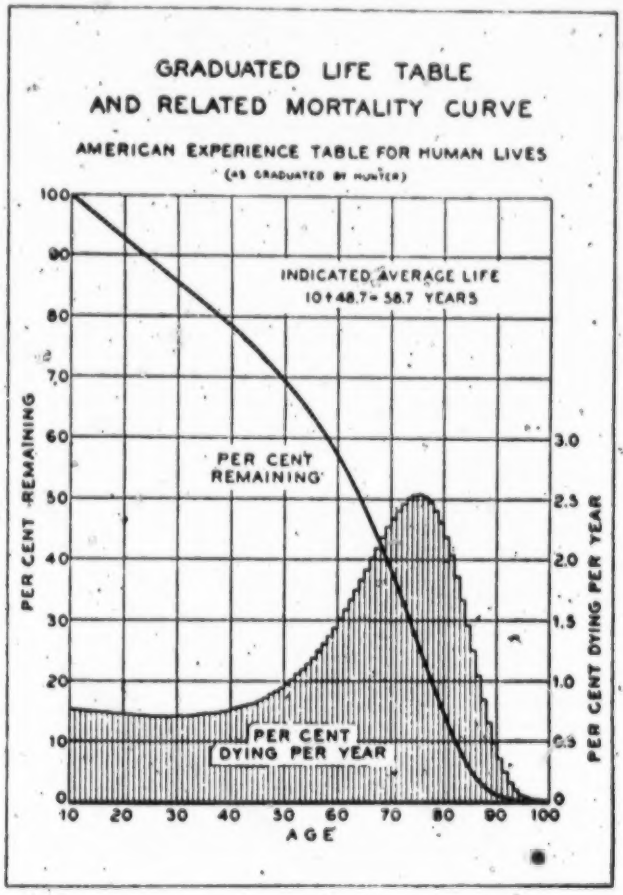

FIG. 6

Data as to retirement experience similar to the experience analyzed by the life insurance actuary are available for several important classes of telephone plant, and it has therefore been natural to apply such actuarial methods of analysis in the determination of average service lives for those classes of plant. Extended application of those methods to thousands of telephone plant life tables has

demonstrated conclusively that they are entirely suitable, and it has been found that each life table can be adequately described by a mathematical formula, whose constants are separately determined from each observed life table.

Gompertz-Makeham Formula

The formula involved was first given mathematical expression by two actuaries, Gompertz and Makeham, and is widely employed at the present time by life insurance actuaries in the graduation of life tables.

One of the interesting points about the use of this formula is that in spite of its complexity, its application has been reduced to a series of routine computations which can be carried out to completion by ordinary skilled comptometer operators, working under competent supervision.

As might be anticipated, the mortality rates for any given age are by no means identical for all classes of telephone property. Indeed, they are not the same for a single class of such property for various sections of the country, and even in a particular part of the country there may be a change in the rate as the environment of the plant undergoes a change. The flexibility of the Gompertz-Makeham

(Here follows side folio 4238)

PRINCIPAL MATHEMATICAL FORMULAS

USED IN GRADUATION OF LIFE TABLES DEVELOPED FROM FINAL SUMMARY OF HISTORICAL DATA FOR MORTALITY STUDY

(1) $l_x = k\, s^{g^x}$ (GOMPERTZ-MAKEHAM FORMULA)

(2) $\dfrac{c^{x+n}\left(\frac{c^n-1}{c-1}\right)\left[\frac{c^n-1}{c-1}+\frac{n^2}{12}(c-1)\right]C_e}{c^{x+n}\left(\frac{c^n-1}{c-1}\right)\left[1+\frac{n^2-1}{12}C_e\right]} = \dfrac{\frac{n^2}{24}\sum_{x}^{x+n-1}l_{x+n}-\frac{n^2-1}{24}l_{x+n}-\frac{n^2-1}{24}l_x}{\sum_{x}^{x+n-1}l_{x+n}-\frac{n^2-1}{24}l_{x+n}-\frac{n^2-1}{24}l_x}$

(3) $\log g = \dfrac{\sum_{x}^{x+n-1}l_{x+n}-\frac{n^2-1}{24}l_{x+n}-\frac{n^2-1}{24}l_x-\frac{n^2}{12}A}{c^{x+n}\left(\frac{c^n-1}{c-1}\right)(c-1)\left[1+\frac{n^2-1}{12}C_e\right]}(c-1)$

(4) $\log g = \dfrac{\sum_{x}^{x+n-1}l_{x+n}-\frac{n^2-1}{24}l_{x+n}-\frac{n^2-1}{24}l_x-\frac{n^2}{12}A}{c^{x+n}\left(\frac{c^n-1}{c-1}\right)(c-1)\left[1+\frac{n^2-1}{12}C_e\right]}(c-1)$

(5) $\log s = -A - C_e \log g.$

(6) $l_x = k\, s^{g^x} h^{x^2} g^{c^x}$ (EXTENDED GOMPERTZ-MAKEHAM FORMULA)

(7) $\dfrac{c^{x+n}\left(\frac{c^n-1}{c-1}\right)c(c-1)\left[\frac{n^2-1}{12}+\frac{n^2}{12}\frac{n^2-1}{12}C_e+\frac{n^2-1}{48}(n^2+1)C_e^2\right]}{c^{x+n}\left(\frac{c^n-1}{c-1}\right)(c-1)\left[1+\frac{n^2-1}{12}C_e+\frac{n^2-1}{48}C_e^2\right]} = \dfrac{\frac{n^2}{24}\sum_{x}^{x+n-1}l_{x+n}-\frac{n^2-1}{24}l_{x+n}-\frac{n^2-1}{24}l_x-\frac{n^2}{12}A-\frac{n^2-1}{48}(n^2+1)B}{\sum_{x}^{x+n-1}l_{x+n}-\frac{n^2-1}{24}l_{x+n}-\frac{n^2-1}{24}l_x-\frac{n^2}{12}A-\frac{n^2-1}{48}B}$

(8) $\log g = \dfrac{\sum_{x}^{x+n-1}l_{x+n}-\frac{n^2-1}{24}l_{x+n}-\frac{n^2-1}{24}l_x-\frac{n^2}{12}A-\frac{n^2-1}{48}B}{c^{x+n}\left(\frac{c^n-1}{c-1}\right)(c-1)\left[1+\frac{n^2-1}{12}C_e+\frac{n^2-1}{48}C_e^2\right]}(c-1)$

(9) $\log g = \dfrac{\sum_{x}^{x+n-1}l_{x+n}-\frac{n^2-1}{24}l_{x+n}-\frac{n^2-1}{24}l_x-\frac{n^2}{12}A-\frac{n^2-1}{48}(n^2+1)B}{c^{x+n}\left(\frac{c^n-1}{c-1}\right)c(c-1)\left[\frac{n^2-1}{12}+\frac{n^2}{12}\frac{n^2-1}{12}C_e+\frac{n^2-1}{48}(n^2+1)C_e^2\right]}(c-1)$

(10) $\log s = A - C_e \log g.$

(11) $\log h = \frac{1}{2}\left[B - C_e^2 \log g\right]$

NOTE $A = \left[\frac{d\,l_x}{dx}\right]_{x=n}$

$B = \left[\frac{d^2 l_x}{dx^2}\right]_{x=n}$

OTHER CAPITAL LETTERS REPRESENT LOGARITHMS OF CORRESPONDING SMALL LETTERS.

FIG. 7

4238

formula is such, however, that no difficulty is introduced by [fol. 4239] these facts. A set of constants can be determined from the recorded observations, from which some one curve out of the infinite number of conceivable Gompertz-Makeham curves can be derived as representative of the mortality experience of property, of the class and in the

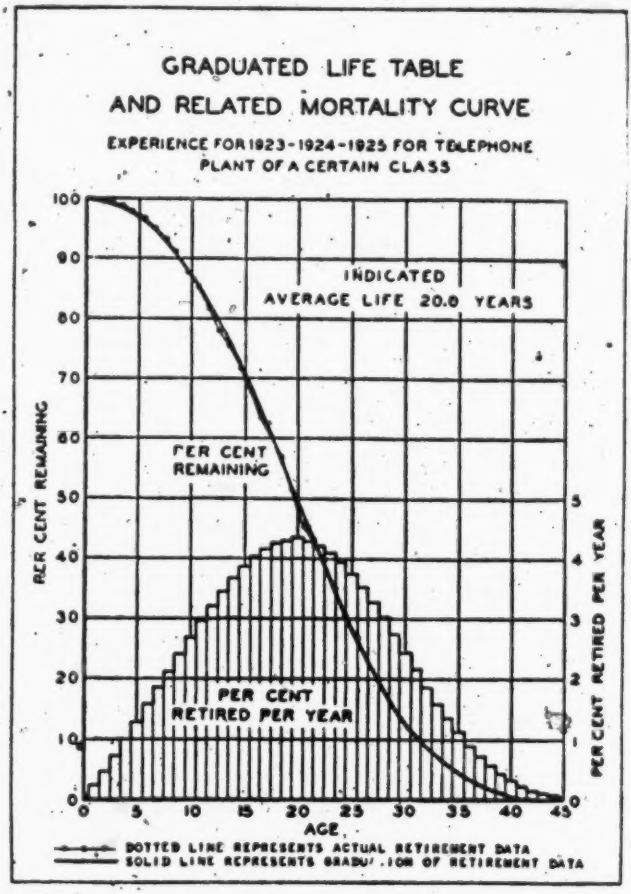

FIG. 8

situation under examination, and wherever the life history is not yet complete, this curve will provide a logical and scientific basis for projection of an observed life table out to its close.

One of the advantages of the actuarial method of [fol. 4240] studying plant mortality is ability to bring the depreciation studies closely up-to-date.

"Band" Analysis

Owing to improvements in the telephone art, telephone companies are today obtaining a longer average life from many plant elements than was formerly the case. For this reason a study of the retirement experience in recent years is of special significance and it is the practice to make concentrated study of portions of recorded experience, confined to a given strip or band of the tabular matter. Taking the band of say 1928 as an illustration: This would disclose the first year's retirements on plant installed one year ago, the second year's retirements on plant installed two years ago, the third year's retirements on plant installed three years ago, and so on backward, say to the thirtieth and final year's retirements on plant installed thirty years ago and now completely retired.

The band study substitutes for the complete analysis of say, 30 years' experience of one group, an analysis of one year's experience with say 30 groups, each group successively one year later in time of installation than its next predecessor group. One study scans, as it were, the warp while the other scans the woof, of the statistical fabric.

The advantages gained are first, the greater reliability of the most recent records, and second, the reflection in the results of the most recent company policy and plant administrative technique.

The two sorts of studies mentioned may be made in conjunction, the results compared and their mutual consistency derived. In practice, studies are not ordinarily made of bands for a period so short as one year. Three years is generally as narrow a band as the quantity of data will justify as adequate. The bands may be selected so as to overlap; for example, having analyzed the 1915-17 band, the next band taken may be 1916-18, then 1917-19 and so on.

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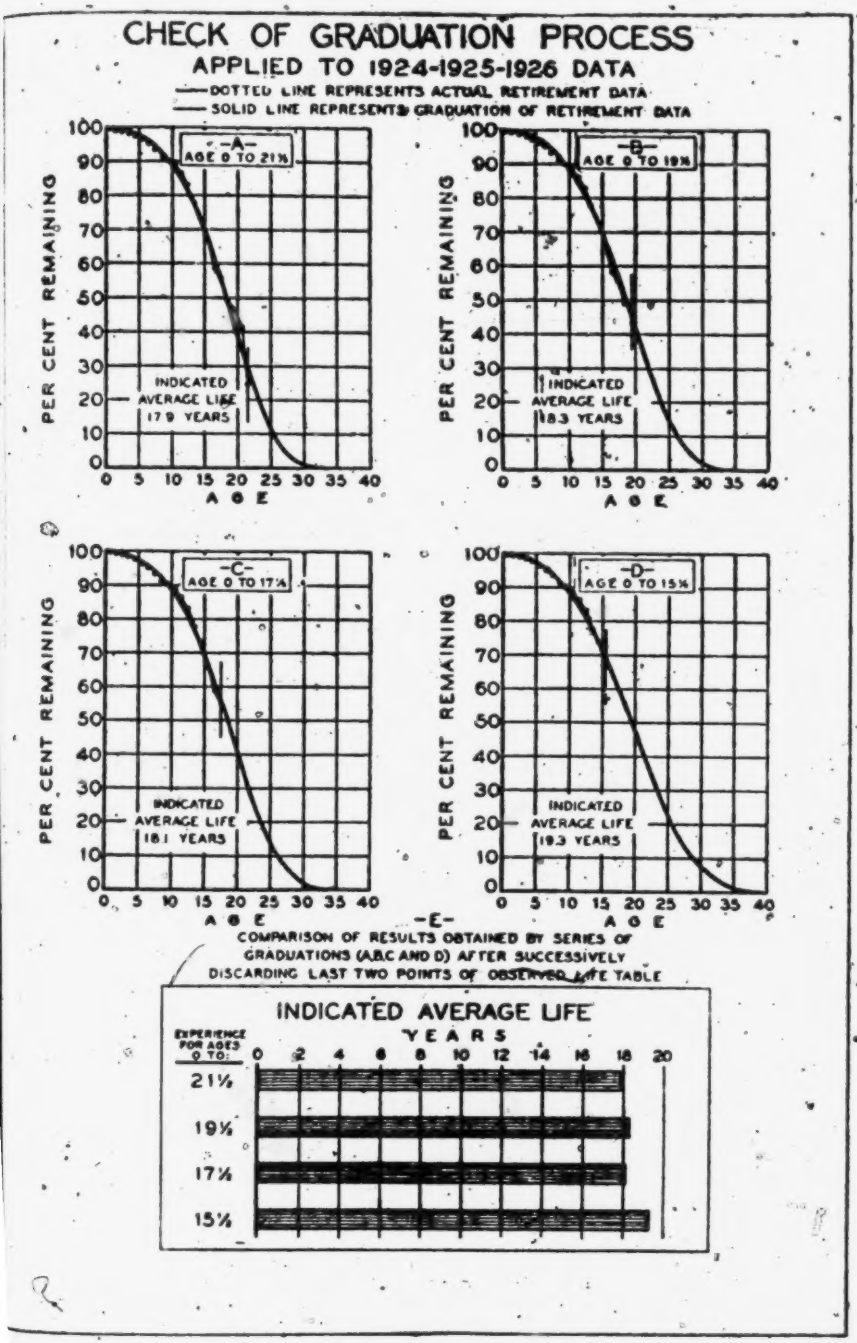

FIG. 9

4241

[fol. 4242] Turn-over Method

For certain classes of telephone property, the actuarial method just described cannot be employed in practice on account of technical difficulties and expense in the collection of data.

For these classes, an alternative method of procedure is employed, which has been denominated the "turn-over method." Those familiar with life insurance will understand at once the fundamental principle of the turn-over plan when we say that it is the same as that which is involved in the relation of total deaths of human beings of all ages to exposed population of all ages in a non-growing community.

The accounts of the telephone companies are kept to show separately the amount of plant of each class going new into the plant in any year and the amount of old plant of each class retired from service in any year.

If the class of plant were to remain stationary in amount and stable in its life characteristics and age distribution, the average time that plant remained in service could be readily ascertained from a relation of either the retirements or the replacements to the total plant. Either the length of the period of time required for the most recent replacements to accumulate to the amount of the plant at the end of that period or the length of the period of time required for the retirements to accumulate backwards in time to the amount of the plant at the beginning of that period—the two periods being the same—would be the length of the life of plant of the given class, on the average.

Determination of the average life of telephone property on this basis is made difficult by several conditions; viz.:

a. Changes in the life characteristics of plant which occur during the period studied.

b. Changes in the purchasing power of the dollars, in which the books are kept, whereby a given number of dollars may represent more or less plant than formerly.

(Here follows side folio 4243)

EXAMPLE TO ILLUSTRATE PRINCIPLE OF TURNOVER METHOD

PLANT GROWING AT THE RATE OF 10% ANNUALLY
DATA IN TERMS OF PLANT COSTS — AVERAGE LIFE OF UNITS 10 YEARS

TABLE OF PLANT UNITS AND COSTS

YEAR	PLANT PLACED			PLANT RETIRED				PLANT IN SERVICE JANUARY 1st	
	NUMBER OF UNITS 1	UNIT COSTS 2	TOTAL COST 3	NUMBER OF UNITS 4	UNIT COSTS 5	TOTAL COST 6	TOTAL COST ACCUMULATED FROM 1926 7	NUMBER OF UNITS 8	TOTAL COST 9
1913	50,545	$1.00	$50,545	20,828	$1.00	$ 20,828		292,982	$292,982
1914	55,599	.90	50,039	23,110	1.00	23,110		322,701	322,701
1915	61,159	1.10	67,275	25,539	1.00	25,539		355,190	349,630
1916	67,275	1.80	107,640	28,163	1.00	28,163		390,810	391,368
1917	74,003	1.80	133,205	31,010	1.00	31,010		429,922	470,843
1918	81,403	1.65	134,315	34,112	1.00	34,112	$ 602,491	472,915	573,038
1919	89,543	1.40	125,360	37,523	1.00	37,523	568,379	520,206	673,241
1920	98,497	1.60	157,595	41,273	1.33	54,893	530,858	572,226	761,078
1921	108,347	1.30	140,851	45,004	1.37	62,203	475,963	629,450	883,780
1922	119,182	1.25	148,978	49,842	1.36	67,921	413,780	692,393	942,429
1923	131,100	1.35	176,985	54,935	1.34	73,613	345,839	761,833	1,023,485
1924	144,210	1.40	201,894	60,429	1.35	81,579	272,226	837,798	1,126,857
1925	158,631	1.55	245,878	66,875	1.35	89,741	190,647	921,579	1,247,172
1926	174,494	1.50	261,741	73,120	1.38	100,906	100,906	1013,735	1,403,309
1927	-	-	-	-	-	-	-	1115,109	1,564,144

APPLICATION OF TURNOVER METHOD

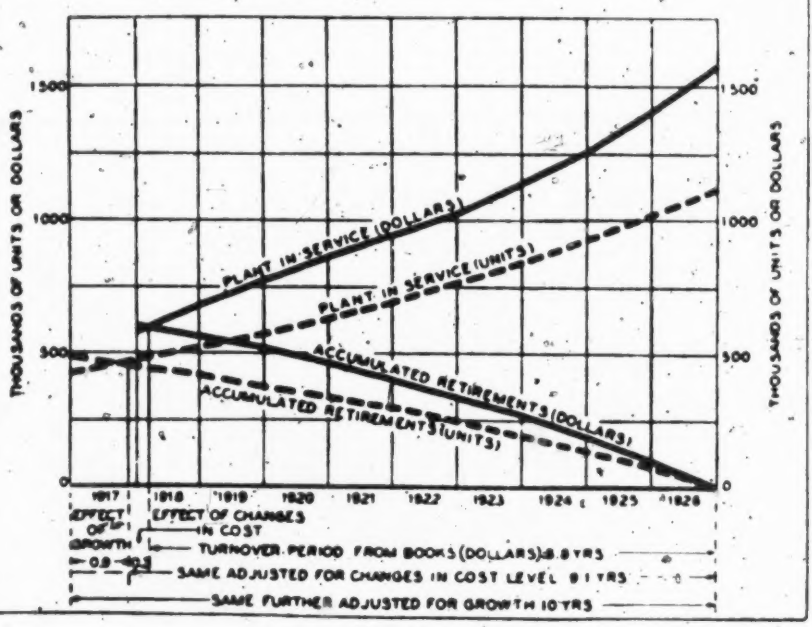

Fig. 10

4243

[fol. 4244] c. Growth, positive or inverse, in the total plant of the given class during and preceding the period studied, which disturbs the mortality ratio. When retirements are studied, for example, positive growth introduces the condition that some of low age mortalities of the added plant which produces the growth enter the results as a disturbing element.

d. Purchases and sales of telephone plant from one company to another. These transactions operate like sudden growth.

None of these difficulties is insuperable. The changes in the characteristics of plant may be fairly well recognized. The changes in the value of money can be compensated by placing the study upon an "index number" basis. Suitable methods have been developed to make allowance for the effect upon the turn-over period of such growth as may have taken place.

The turn-over method while theoretically inferior to the actuarial method has been found practically very useful and dependable.

Special Cases—Buildings and Central Office Equipment

For two classes of telephone property, buildings and central office telephone equipment, we find that the best way to estimate the depreciation rates is to forecast how long, in view of population growth and the progress of the service, existing buildings and equipment will individually serve to meet the needs of the community.

The long-term basis upon which plant of these classes is engineered is such that forecasts of this sort can be made with a reasonable approach to accuracy and in the case of central office telephone equipment the existence of a condition peculiar to such equipment should be mentioned.

Central Office telephone equipment is usually not installed to the full capacity of the Central Office at the time of initial [fol. 4245] provision of such equipment. A certain quantity of equipment is installed sufficient to provide service for a given number of years and is added to from time to time as demand increases, the later equipment being commingled with the earlier.

We thus have a problem of growing property structures, wherein the weighted average age of the component units of the structures is much less than the overall age of the structures as operative entities.

Some interesting investigations have demonstrated the relation of average realized life of Central Office equipment to age of initial installation for various ages of the latter, and it has been found that the engineering economics in the

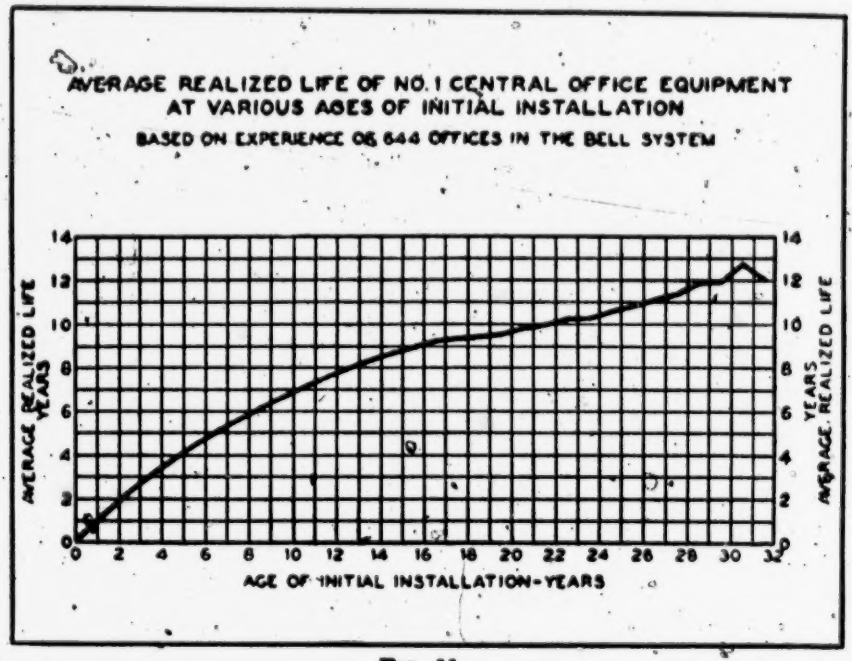

FIG. 11

advance provision of this class of property set rather definite limitations to the average life of the composite structures, even though the age of the first and oldest portions of the structures may be very lengthy.

In the ordinary classes of telephone property we have groups of homogeneous units, the components of which ar- [fol. 4246] rive together in a given year but gradually and variously waste away.

In the case of Central Office telephone equipment, we have the rather unusual phenomenon of groups of units which arrive from time to time and are completed in a single structure, no part of which is separable for deprecia-

SOME CAUSES OF ORDINARY DEPRECIATION OF TELEPHONE PLANT AND ILLUSTRATIONS OF THEIR EFFECTS

CAUSES OF DEPRECIATION	KIND OF DEPRECIATION (PREDICTABLE EFFECT)	PLANT CHARACTERISTICS AFFECTED	ILLUSTRATIVE CASES
ACTION OF ELEMENTS	ROT, RUST AND DECAY	PHYSICAL CONDITION	DETERIORATION OF WIRE
ORGANIC AGENCIES	ROT, RUST AND DECAY	PHYSICAL CONDITION	ROTTING OF POLES
USE IN OPERATION	WEAR AND TEAR	PHYSICAL CONDITION	DETERIORATION OF AUTOMOBILES IN USE
INJURY	WEAR AND TEAR	PHYSICAL CONDITION	UNDERGROUND CABLE INJURED BY WORKMANS PICK
STORMS AND CASUALTIES	WEAR AND TEAR	PHYSICAL CONDITION	POLES DESTROYED BY SLEET STORM
IMPROVEMENTS IN THE ART	OBSOLESCENCE	FUNCTION	SUBSTITUTION OF CALL INDICATOR POSITIONS FOR MANUAL "B" POSITIONS IN CENTRAL OFFICES
GROWTH OF COMMUNITIES SERVED	INADEQUACY	CAPACITY	SUBSTITUTION OF A LARGER UNIT, SUCH AS A SWITCHBOARD OR CABLE
MORE INTENSIVE SERVICE	INADEQUACY	CAPACITY	SUBSTITUTION OF A LARGER UNIT, SUCH AS A SWITCHBOARD OR CABLE
FIRES	DAMAGE	PHYSICAL CONDITION	BURNING OF STATION APPARATUS IN A BUILDING FIRE
ADVANCING SOCIAL STANDARDS	PUBLIC REQUIREMENTS	CHARACTER AND LOCATION	LINES RETIRED BECAUSE OF PUTTING WIRES UNDERGROUND ON THOROUGHFARES
PUBLIC CONVENIENCE	PUBLIC REQUIREMENTS	CHARACTER AND LOCATION	POLES RETIRED BECAUSE OF HIGHWAY CHANGES

FIG. 12

tion purposes because of the mutuality of relation of all of the parts, regardless of age, the entire structure being eventually retired en bloc.

[fol. 4247] "Ordinary Depreciation" vs. "Extraordinary Depreciation"

In the studies and projections previously referred to, we have been concerned with losses caused by what is generally termed "Ordinary Depreciation." However, there may be certain other operating losses, to which we have not heretofore referred, that might well be classed as "Extraordinary Depreciation."

Fundamental accounting considerations lead us to distinguish four kinds of losses:

First. Losses such as customarily result from the devotion of perishable plant to service through wear and tear, storms and other casualties, inadequacy, obsolescence, etc.; that is, "ordinary depreciation." Reasonable prudence demands proper and adequate provision for the full amount of such losses.

Second. Losses, not the ordinary outcome of use in operations but which are known from the nature of the property, to be at times the outcome of a definite hazard of employment, for example, destruction by fire. Prudence makes such provision proper as is dictated by the nature and extent of the hazard and the contingency of depreciation loss. (In the case of the Bell System, because of the nature of the property and the extraordinary precautions taken to protect the service against interruption, fire losses not covered by underwritten insurance have been of such extremely minor consequence that we prefer to consider them as covered in our provision for ordinary depreciation.)

Third. Extraordinary losses which are not common to the particular property and do not flow from the ordinary hazards of employment, which prudence does not require us to anticipate but which are nevertheless conceivable and for which the accounting system must afford the means of possible depreciation treatment. Losses due to earthquake or war or to some unforeseen revolutionary invention would come under this class. Such losses are too uncertain and remote to admit of advance provision being made by any method sufficiently definite to warrant inclusion of charges as operating expenses and, under these conditions, the blow to the assets, should it occur, must be met temporarily by [fol. 4248] the company' existing surplus, which ought to be maintained, among other things, to enable the company to outride the financial troubles induced by such unforeseen events. Their amortization must be accomplished after the event and in the telephone business we consider that it would be good accounting in order not to distort the current accounting of the time when the blow fell, to charge such losses initially to suspense and to amortize the amount involved, by installment charges, over a reasonable period of time, in a separate account under Operating Expenses to

be entitled "Extraordinary Depreciation." If revenues during this process are sufficient for the purpose, the gradual accumulation in the undertaking of additional assets equivalent to the amortization installments will eventually effect a restoration of the surplus.

The fourth species of loss is that which does not affect merely individual items of plant or equivalent in a continuing industry so much as it attacks the industry as a whole. For example, there was the supersession of the wooden ship building industry when iron ships made their appearance. There was the destruction of many bicycle businesses when the automobile arrived. The risk of losses of this sort, which cripple or destroy an industry, not merely items of its equipment, must be covered, if at all, out of current profits. Such risk is one of the general hazards of business to be considered in determining what is an acceptable return from the enterprise.

With this understanding of the limitations of ordinary depreciation accounting, we may say that it covers the losses that culminate upon the retirement of property from service which are occasioned by causes known to become operative in the ordinary conduct of the undertaking and the effects of which can be forecast.

The fact that no account is taken by telephone companies of the possibility of something extraordinary happening does not mean that the eyes of telephone accountants are shut to that possibility. We simply resolve our doubts in favor of a longer rather than a shorter life, until the unforseen shall occur.

[fol. 4249] Forecasting Service Life and Salvage of Existing Property

The problem of forecasting ordinary life and salvage of telephone plant is not a difficult problem, as business and accounting problems go nowadays. It requires sufficient data, drawn largely from past experience, and the consideration and judgment of competent experts.

The telephone business has certain peculiarities which favor the correct determination of the depreciation factors of service life and salvage.

A telephone company undertakes the provision of the entire service within an area. It operates without competi-

tion of similar companies. There is a direct relation between the spread of its service and the growth of population. Telephone plant is so costly and the importance of locating central offices and distributing systems economically with reference to the spread of communities is so immense, that it is the custom of telephone engineers to prepare and continuously maintain for the exchange plants of urban centers and for toll systems, "Fundamental Plans" which look ahead for a certain number of years and furnish a dependable conspectus of the telephone situation, present and prospective, in the area.

Long-lived Property

Certain long-lived properties, such as main conduit runs and buildings of the typical American monumental type offer points of difficulty as to probable service life. The judgment of experts is of special value here and there is always opportunity to restudy the matter as the age of the units increases and the engineers obtain a farther view into the future through the Fundamental Plans. The eventual retirement of such property can be forecast as most probable, therefore a reasonable estimate—even though containing a margin of error—keeps the accounts more nearly correct from year to year than if a heavy retirement liability be conveyed to the future without any provision to meet it.

(Here follows side folio 4250)

ILLUSTRATION OF METHOD OF DETERMINING ANNUAL DEPRECIATION EXPENSE

CLASS OF PROPERTY	COST	AVERAGE SERVICE LIFE YEARS	GROSS SALVAGE	COST OF REMOVAL	NET SALVAGE AMOUNT	NET SALVAGE % OF COL 2	PROPERTY COST USED UP AMOUNT (COL 2 - COL 6)	PROPERTY COST USED UP % OF COL 2	ANNUAL DEPR RATE PER CENT (COL 9 ÷ COL 3)	ANNUAL DEPR EXPENSE (COL 2 × COL 10)
1	2	3	4	5	6	7	8	9	10	11
BUILDINGS	$ 82,000	30	$ 32,800	$	$ 32,800	40	$ 49,200	60	2	$ 1,640
CENTRAL OFFICE EQUIPMENT	186,000	13	47,040	15,680	31,360	18	164,640	84	6.5	12,740
STATION APPARATUS	78,000	5	54,600		54,600	70	23,400	30	6	4,680
PRIVATE BRANCH EXCHANGES	32,000	6	22,080	1,600	20,480	64	11,520	36	6	1,920
BOOTHS	4,000	6	2,760	200	2,560	64	1,440	36	6	240
EXCHANGE POLE LINES	67,000	13				0	67,000	100	8	5,360
EXCHANGE AERIAL CABLE	64,000	14	24,320	9,600	14,720	23	49,280	77	5.5	3,520
EXCHANGE AERIAL WIRE	53,000	11	21,200	7,950	13,250	25	39,750	75	6.8	3,604
EXCH UNDERGROUND COND.	82,000	50				0	82,000	100	2	1,640
EXCH UNDERGROUND CABLE	110,000	18.5	55,000	16,500	38,500	35	71,500	65	3.5	3,850
EXCH SUBMARINE CABLE	1,300	12.5				0	1,300	100	8	104
TOLL POLE LINES	75,000	16.5				0	75,000	100	6.1	4,575
TOLL AERIAL CABLE	10,000	14	4,500	1,500	3,000	30	7,000	70	5	500
TOLL AERIAL WIRE	77,000	20	34,650	11,550	23,100	30	53,900	70	3.5	2,695
TOLL UNDERGROUND COND.	9,000	60				0	9,000	100	1.7	153
TOLL UNDERGROUND CABLE	19,000	25	10,450	2,850	7,600	40	11,400	60	2.4	456
TOLL SUBMARINE CABLE	1,000	12.5				0	1,000	100	8	80
FURNITURE AND FIXTURES	7,000	10	1,400		1,400	20	5,600	80	8	560
SHOP EQUIPMENT	100	10	20		20	20	80	80	8	8
STORE EQUIPMENT	600	10	120		120	20	480	80	8	48
GARAGE EQUIPMENT	8,000	5	2,000		2,000	25	6,000	75	15	1,200
TOOLS AND IMPLEMENTS	4,000	4	800		800	20	3,200	80	20	800
RIGHT OF WAY - EXCH.	5,000	30				0	5,000	100	3.3	165
RIGHT OF WAY - TOLL	7,000	40				0	7,000	100	2.5	175
INTEREST DURING CONSTRN	8,000						8,000	100	5.1	409
TOTAL	$1,000,000		$313,740	$67,430	$246,310		$ 753,690			$ 51,122

- COMPOSITE RATE -

(A) TOTAL INVESTMENT $1,000,000 (B) TOTAL ANNUAL DEPRECIATION EXPENSE $51,122

(C) COMPOSITE DEPRECIATION RATE (B÷A) 5.11%

FIG. 13

4250

Bell Telephone Quarterly

O-123
P38

[fol. 4251]

Salvage

The factor of salvage in telephone depreciation has been successfully dealt with in practice. A study recently made of plant retired, salvage on which was allowed for in the computation of depreciation rates to the amount of $122,594,000, revealed that the net salvage actually realized was $122,499,000. The chief problem in the treatment of salvage, especially for the longer-lived property, is one of secular variation in cost levels. Index number studies are very helpful in interpreting the records of the past as shown in the accounts. Existing market prices of junk material are helpful. Price changes in the future may properly be considered, if a fairly definite forecast can be made, but resort to speculation is not advisable.

The Rôle of Judgment

The proper interpretation of the data regarding plant life and salvage obtainable from accounts, records and statistics is of equal importance with the integrity of the data themselves. It would seem that we should have first: investigations of past service life and salvage through sound accounting and statistical methods; second: investigations of the conditions surrounding the employment of such plant in the past and of the extent to which such conditions still prevail; third: the best possible forecast of conditions looming in the future which should exert a modifying influence upon either life or salvage. And then, the active judgment which fuses the experience of the past, so far as it is still pertinent, and the expectation for the future, so far as it is presently pertinent, into a just and reasonable determination of the current rate of depreciation for the time being.

The ascertainment and interpretations of the facts and [fol. 4252] the making of the expert opinions and estimates must be undertaken by persons thoroughly familiar with the property and conversant with the future plans of the management. The company's future policy and program are intimately bound up with this undertaking. Fundamentally, the determination of the proper rate is a problem of management; there can be no machine solution of it.

DEPRECIATION RATES FOR A LARGE TELEPHONE COMPANY IN THE UNITED STATES

PORTION OF PROPERTY	DEPRECIATION RATES %
EXCHANGE RIGHT-OF-WAY	5.0
TOLL RIGHT-OF-WAY	2.5
BUILDINGS	2.1
C O. EQUIPMENT-MANUAL	8.5
-PANEL	8.0
-STEP-BY-STEP	6.0
OTHER EQUIPMENT OF C O	8.0
STATION APPARATUS	4.5
STATION INSTALLATIONS	1.0
INTERIOR BLOCK WIRES	4.0
PRIVATE BRANCH EXCHANGES	5.0
BOOTHS AND SPECIAL FITTINGS	3.6
EXCHANGE POLE LINES	7.5
EXCHANGE AERIAL CABLE	6.2
EXCHANGE AERIAL WIRE	7.6
EXCHANGE UNDERGROUND CONDUIT -MAIN	2.0
-SUBSIDIARY	4.0
EXCHANGE UNDERGROUND CABLE -MAIN	2.5
-SUBSIDIARY	6.0
EXCHANGE SUBMARINE CABLE	7.0
TOLL POLE LINES	6.0
TOLL AERIAL CABLE	4.0
TOLL AERIAL WIRE	4.8
TOLL UNDERGROUND CONDUIT	2.0
TOLL UNDERGROUND CABLE	2.5
TOLL SUBMARINE CABLE	7.0
OFFICE FURNITURE AND FIXTURES	7.0
COMPOSITE RATE FOR COMPANY	5.05

FIG. 14

The Depreciation Reserve Account

Passing now to another phase of the subject; i. e., the depreciation reserve account in the balance sheet, which arises [fol. 4253] as a result of the accrued depreciation charges in the Income Statement.

In its origin, the "Reserve for Depreciation" account is merely the reflection under a system of double entry bookkeeping of what remains in the liabilities from the past charges for depreciation expense. The entry of prime importance is the charge to expense, which could be made equally as well under single entry bookkeeping; such a charge would be sufficient in itself to insure correct accounting. The expense charge serves the fundamentally important and useful purpose of debiting to any year or other accounting period recognized by the accounting, one of the costs of rendering telephone service during that period,

namely the expense of depreciation. The total cost of that service cannot be inclusive without the item of depreciation. Along with this fundamental proposition of stating depreciation costs in periods in which they should be stated in order that the expense accounts may reflect true costs, goes the point that this procedure has the advantage of substantially equalizing the effect of property retirements. It is, of course, desirable that there be reasonable equalization, but this effect of depreciation accounting is merely a collateral effect of steps taken primarily to accomplish the purpose of spreading the retirement costs equitably over the service life to the depreciating property.

However, because double entry bookkeeping is employed and because the balance sheets of corporations which have become so important in modern times are a product of the double entry system, the reserve for depreciation, as a liability account, of itself comes to serve some important and useful purposes.

Advantages of Reserve Accounting

As an accounting consideration, the reserve account exhibits the accumulating provision for retirement of existing plant, which remains after charging off the loss on

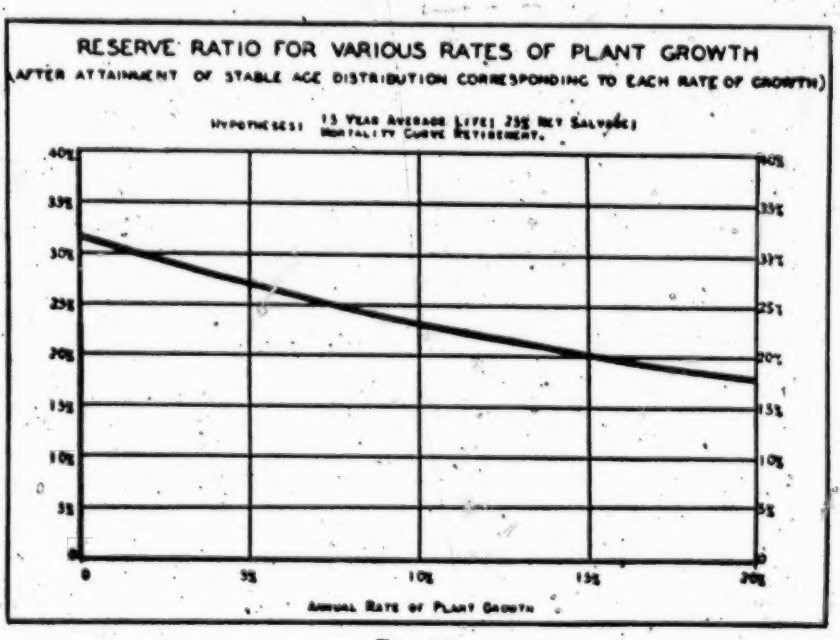

FIG. 15

[fol. 4254] items that have already been retired from service. In the same way, the reserve of a life insurance company represents the provision for meeting the accumulating liability which will mature upon the death of its policyholders.

As business considerations, several advantages of the reserve account appear. An adequate reserve account appearing in the balance sheet is a sign that the integrity of the company's assets is being maintained. The appearance of the account in this way before investors assists the companies to attract capital for extensions and betterments on favorable terms and as a result of these features, the depreciation reserve account assists a company to maintain service to its users with economy and in a high-grade manner.

Accuracy of the Reserve Account

In the course of years the reserve account assumes a prominent place in the balance sheet, and sooner or later it [fol. 4255] may become a matter of concern to know that it is reasonably correct. For this reason a knowledge of the characteristics of reserve growth is important. For any particular group of property installed at a given time the reserve account must, of course, increase steadily at first, reaching its maximum in dollars about the time of the average life and its maximum as a per cent of the property to which it relates immediately before retirement of those components of the group which achieve the longest individual lives.

For all groups of a homogeneous class taken together, the reserve account will exhibit a condition which is dependent upon the complex of the successive groups, upon their relative volume and upon their appearance and disappearance in time with respect to each other.

Theory of the Reserve Account in Growing Properties

The introduction of new groups into the class will decrease the reserve ratio: the ratio of the amount of the reserve account to the amount of the property class. Reserve ratios are lower in growing than in non-growing properties, other conditions being the same. Disregarding oscillations, a long continued uniform rate of growth tends

to produce a stabilization of the reserve ratio, at a point dependent upon the particular rate of growth. If the rate of growth later increases, the reserve ratio becomes lower and will tend to stabilize at the lower figure as long as the higher rate of growth continues.

Theory of Reserve Account in Non-growing Properties

A condition of non-growth in a continuing property eventually brings about, after a stable age distribution is achieved, a reserve ratio at the highest point obtainable in a non-disappearing plant with stable age distribution. If [fol. 4256] units were always retired at the point of the average life (i. e., if they all had the same age at time of retirement), this highest ratio would be, with no salvage .50, or, with salvage, one-half of the sum derived by subtracting the ratio of salvage from 1.00; but with distributed retirements, the highest ratio must always be less than .50, for the loss of those members of the group which perish before the term of the average life occasions a greater reduction, percentagewise, in the reserve account to which their loss is charged than in the property from which their original cost is subtracted.

Effects of Group Basis of Accrual

Group accrual does not provide for the entire loss of short-lived components during their individual lives; the accrual must be carried out on the longer-lived components to the end of their lives and beyond the midpoint representing the average life of all compoents, in order to provide for the entire loss of the group as such. For this reason, it is not possible to reckon up from an examination of the ages of items presently in service how much should stand in the reserve account in respect of such items.

Retirement Expense Less Than Depreciation in Growing Properties

A knowledge of the characteristics of the ratios of current annual retirements (which are the annual gross debits to the reserve account), to the straight-line accruals for depreciation in the same year is also desirable.

In a growing plant, the annual retirement losses will be less than the current true annual expense of depreciation and the greater the rate of growth, the smaller the retirement losses will appear in comparison with the current depreciation rate, the reason being, of course, that in a growing plant there are new plant groups in operation on which [fol. 4257] depreciation is accruing but which are not yet represented, or are but slightly represented, in the retirement losses. If we conceive of a rapidly growing plant in three successive stages of its existence, such stages being representative of a period of turnover of the plant, designated A, B and C, then, speaking in averages, the retirements during B will relate for the most part to the smaller

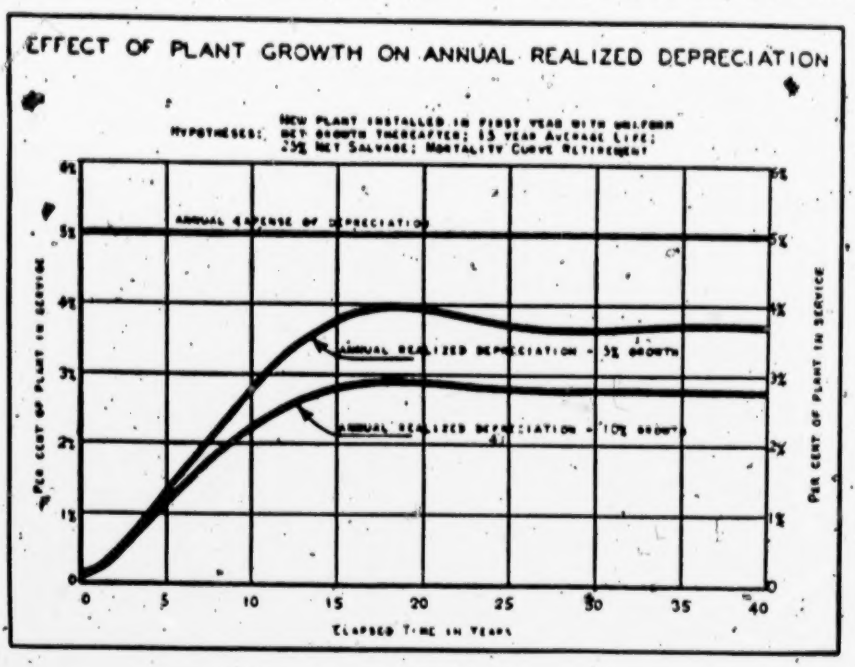

FIG. 16

plant A, while the depreciation reserve account is currently building up to meet the greatly increased eventual retirement liability of B. Similarly in period C retirements will relate to the smaller plant B, while the accruals now relate to the greater plant C. For this reason any attempt to ascertain percentages of current depreciation expense to investment in a growing property by dividing the average retirement losses by the average plant in service during the period within which such losses culminate, involves a mathematical fallacy.

[fol. 4258] Obstacles to Employment of Straight-line Method

In all that has been said so far, the practicability and indeed the desirability of the straight-line method for depreciation expense accounting has been taken for granted, but obstacles to the use of this method undoubtedly exist in some cases. The obstacles usually appearing are:

Inability to Set up a Line of Demarcation Between Current Maintenance and Depreciation.—It would seem possible generally, though perhaps not universally, to overcome this difficulty by the adoption of a system of units of property, the retirement of which would be depreciation, work on which while in service, including replacements of parts, would be current maintenance. Under this plan minor parts would be charged as depreciation only as originally embodied in the unit of which they were a part at the time of its installation and would be written off to reserve as an undivided part of the retirement loss of the unit, when the unit is removed or abandoned.

Difficulties in Forecasting Service Life.—This obstacle may in some cases appear serious, but in most instances it is unduly magnified. Most accountants probably would agree that the difficulty of accounting does not warrant entire neglect of accruing depreciation. It is the duty of a company to manage its business well and sound management may require, in many cases, ample provision for an inevitable loss, uncertain merely as to the time of its incidence. If provision should be made on some basis, probably a straight-line treatment, even with a considerable margin of error in the initial assumptions, would be reasonable, the matter to be periodically reexamined. Is it not a good rule that where difficulties in ascertaining accounting values are largely inherent in the nature of the subject-matter, the accounting should nevertheless go forward, the factors involved to be determined arbitrarily by the use of judgment, as nearly as may be?

In a number of industries, it has been considered that the straight-line method does not afford sufficient protection against unanticipated depreciation, due to unforeseen progress in the art, exigencies of competition, etc., and the reducing balance method has been adopted. One factor here is whether the nature of the enterprise is such that amor-

tization in arrears of extraordinary casualty damage, sudden major obsolescence or losses on unanticipated reconstruction, is possible without too great risk or detriment. Certainly, risky and uncertain enterprises and those in a rapidly evolving state due to revolutionary inventions or [fol. 4259] discoveries, if they apply the straight-line method, may very well reverse the ordinary course, and resolve their doubts, in the early years of use of plant units, in favor of a shorter rather than a longer life.

In Conclusion

Within the lifetime of our older accountants; the depreciation charge has been successively characterized as improper, then legitimate, and lastly as necessary. There are but few now who contend that the depreciation charge is

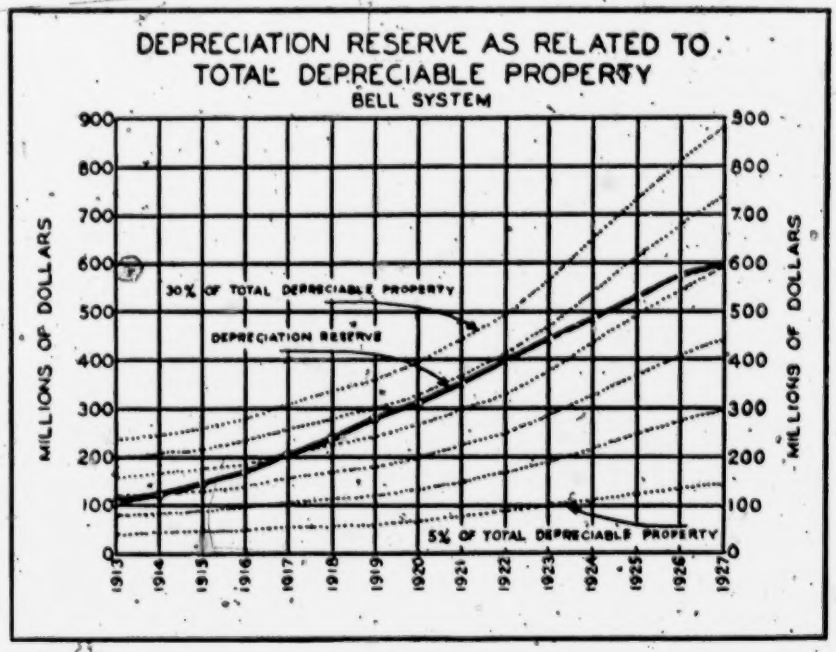

FIG. 17

improper; its legitimacy is generally recognized. Not all agree that it should be compulsory. As regards telephone companies, the straight-line basis is generally believed to be in the best interest of the companies as regulated undertakings, and of the public which they serve, and it is compulsory by law.

It is unwise to become dogmatic regarding the treatment of depreciation because the question presents so many different aspects as viewed from different industries, with their varied histories and traditions, practices, and pros- [fol. 4260] pects. Any accounting method which generally commends itself as a fair method to those interested in an industry of a particular type is worthy of a fair hearing and if it has worked well, it should not be lightly overturned. Nevertheless, there cannot be more than one set of sound accounting principles. This makes necessary mutual agreement upon the fundamentals, upon definitions and the use of terms, without which arguments become confused and the meeting of minds impossible. When the terms employed are made susceptible of but one meaning, it may be possible to secure general agreement as to principles, and the application of sound principles to highly various industrial fields of operations may well result in a variety of treatments which are salutary and practicable in certain fields to which suited, but impracticable or inadvisable elsewhere.

In the telephone business in the United States, the suitability of the straight-line depreciation accounting practice has been tested and demonstrated by long experience.

Allan B. Crunden, Donald R. Belcher.

Editor's Note.—Mr. Crunden is Assistant Comptroller and Mr. Belcher is Assistant Chief Statistician of the American Telephone and Telegraph Company.

(Here follows side folio 4261)

DEFENDANT'S EXHIBIT D-125

WHAT IS THE

A·T·&·T·?

ALL THAT MOST PEOPLE see of the telephone company are a telephone and a few feet of wire.

But through that telephone you can talk with any one of millions of people, all linked together by the web of equipment of the Bell System.

All its efforts are turned constantly to one job—to give better telephone service to an ever-increasing number of people, as cheaply as it possibly can.

The American Telephone and Telegraph Company provides the staff work for the Bell System. To it the operation of the telephone service is a public trust. It pays a reasonable dividend to its stockholders . . . and uses all earnings beyond that to improve and extend the service.

There are more than 550,000 stockholders, and no one person owns so much as one per cent of its stock.

The Bell System operates through 24 regional companies, each one attuned to the needs of its particular territory. In addition, the 5000 members of the Bell Laboratories staff do the scientific work which makes it possible to improve and widen the service at least cost to its users. The Western Electric Company, which manufactures for the Bell System, specializes in the economical production of telephone equipment of the highest quality.

All these facilities are directly available throughout the entire Bell System, at any time or place. . . . Because of them, every dollar that you spend for telephone service brings you constantly greater value and convenience.

★ *THE AMERICAN TELEPHONE AND TELEGRAPH COMPANY* ★

3808A

[fol. 4262]

EXHIBIT D-126

Illinois Bell Telephone Company, Chicago Exchange

Estimated Costs in Connection with Subscriptions for A. T. & T. Co. Stock under the Employees' Stock Plan

	Accounting Department						Plant Department					
		Other Sections										
	Special Stock Group	Disbursements	Revenue	Total	Treasurer's Office	Traffic Dept.	Field	Acct'g.	Total	Commercial Dept.	Engineering Dept.	Grand Total
1923	$15,064	$1,834	$816	$17,714	$180	$5,714	$2,493	$3,212	$5,705	$368	$20	$29,701
1924	17,650	1,835	895	20,380	180	5,919	2,645	3,265	5,910	391	21	32,800
1925	18,073	1,842	905	20,820	180	6,218	2,007	3,242	5,249	428	21	32,926
1926	18,194	1,824	895	20,913	180	6,270	1,942	3,329	5,271	440	21	33,116
1927	18,208	2,885	956	22,049	180	6,154	1,951	3,439	5,390	508	21	34,302
1928	18,682	3,125	966	22,773	180	6,303	2,079	3,505	5,584	613	14	35,467
1929	21,841	3,137	1,270	26,248	180	6,349	2,569	3,633	6,202	742	17	39,738
1930	27,603	3,149	1,248	32,000	2,349	6,006	2,814	525	3,339	859	17	44,570
1931	29,462	3,146	740	33,348	3,182	5,440	2,826	.....	2,826	450	17	45,263

[fol. 4263]

EXHIBIT D–127

Illinois Bell Telephone Company, Chicago Exchange

Estimated Costs in Connection with Subscriptions for A. T. & T. Co. Stock under the Bell Telephone Securities Co. Plan

	Commercial Department									
	Accounting Department	Treasurer's Office	Special Stock Group	Cashier's Section	Postage, Stationery & Misc. Exp.	Total	Plant, Etc. Depts.	Grand Total	Amount billed Bell Tel. Sec. Co.	Net
1923	$1,677	$60	$5,230	$2,333	$1,616	$9,179	$4,104	$15,020	$809	$14,211
1924	8,814	60	6,113	2,651	2,188	10,952	5,298	25,124	10,270	14,854
1925	10,975	60	6,073	3,782	1,923	11,778	6,250	29,063	9,614	19,449
1926	11,445	60	5,918	3,753	1,988	11,659	6,236	29,400	9,688	19,712
1927	11,896	60	5,708	3,178	1,684	10,570	4,863	27,389	9,584	17,805
1928	8,373	60	4,414	963	462	5,839	1,715	15,987	9,129	6,858
1929	6,835	60	4,375	2,211	917	7,503	3,231	17,629	3,752	13,877
1930	6,914	275	5,505	1,263	852	7,620	2,627	17,436	4,015	13,421
1931	6,188	428	5,981	1,727	612	8,320	4,731	19,667	3,615	16,052

[fol. 4264] EXHIBIT D-128

Our Slogan: "Every Subscriber a Stockholder"

The Illinois Bell Telephone Company stood almost at the top among the Bell companies last year in the sale of A. T. & T. stock to the public through employees.

This is a proud record and we want to hold or surpass it this year.

Each department has a quota. Every employee should make one or more sales.

Do your part now.

[fol. 4265] EXHIBIT D-129

Illinois Bell Telephone Company

Amounts Billed to the Bell Telephone Securities Company for Services Rendered by Illinois Bell in Connection with Rights, Transactions, and Related Stock and Bond Subscriptions

	1926 Stock Issue	1928 Stock Issue	1929 Bond Issue	1930 Stock Issue
Amount covering contacts with the public in connection with purchase and sale of rights and stock subscriptions	#	$1,840.11	$3,911.93	$8,175.91
Amount covering summarizing, reporting, etc., and settlement with Bell Telephone Securities Company	#	2,621.29	3,860.40	4,260.55
Total	$1,151.21	$4,461.40	$7,772.33	$12,436.46

Separation not available.

[fol. 4266] EXHIBIT D-130

Illinois Bell Telephone Company

Amounts Billed to the Bell Telephone Securities Company for Services Rendered by the Illinois Bell Telephone Company in connection with the Sale of A. T. & T. Company Stock to the Public

Year	Accounting Services	Commercial Services (Collections, etc.)	Total
1924	$5,700	$3,300	$9,000
1925	5,700	3,300	9,000
1926	5,700	3,300	9,000
1927	5,700	3,300	9,000
1928	5,700	3,300	9,000
1929	2,400	1,200	3,600
1930	2,400	1,200	3,600
1931	2,400	1,200	3,600

[fol. 4267] EXHIBIT D-131

Illinois Bell Telephone Company

Amount of Collections and Amount of Remittances Made to the American Telephone and Telegraph Company in Connection with the Employees' Stock Plan During the Years 1923 to 1931

Year	Collections	Remittances
1923	$1,660,224.27	$1,510,903.76
1924	1,623,352.23	1,246,401.33
1925	1,902,344.12	1,231,251.67
1926	1,928,575.30	1,154,086.16
1927	2,092,629.35	1,478,347.67
1928	2,465,405.23	1,803,449.85
1929	3,410,854.77	2,692,885.17
1930	4,208,259.81	3,377,477.87
1931	3,697,836.55	2,243,365.23

[fol. 4268] EXHIBIT D-132

Illinois Bell Telephone Company

Amount of Collections and Amount of Remittances Made to the Bell Telephone Securities Company in Connection with the Sale of American Telephone & Telegraph Company Stock under the Bell Telephone Securities Company Plan for the Years 1923 to 1931

Year	Collections	Remittances
1923	$2,718,065.83	$2,688,060.46
1924	4,158,328.19	4,019,618.95
1925	4,041,330.88	3,884,136.15
1926	3,814,171.01	3,701,453.46
1927	3,096,306.75	2,993,009.75
1928	2,079,290.92	2,042,751.91
1929	3,494,682.55	3,455,607.55
1930	3,980,573.12	3,826,309.65
1931	2,924,352.42	2,760,131.23

[fol. 4269] EXHIBIT D-133

Illinois Bell Telephone Company

Amount of Collections and Amount of Remittances to A. T. & T. Co. and Bell Telephone Securities Company in Connection with Rights, Transactions, and Related Stock and Bond Subscriptions

	1926 Stock Issue	1928 Stock Issue	1929 Bond Issue	1930 Stock Issue
Amounts collected from Rights sold to the public	$98,886.44	$182,461.35	$99,115.25	$242,811.10
Amounts paid for Rights purchased from the public	126,455.08	305,347.40	413,524.76	987,898.43
Net payment to public	$27,568.64	$122,886.05	$314,409.51	$745,087.33

	1826 Stock Issue	1928 Stock Issue	1929 Bond Issue	1930 Stock Issue
Net amount received from Bell Telephone Securities Co. in connection with above Rights transactions...	$27,568.64	$122,851.48	$314,409.51	$745,085.00
Amounts collected from public and remitted to A. T. & T. covering stock subscriptions paid in full and installment payments..	$1,027,937.60	$1,579,572.78	$1,532,300.00	$1,759,324.05

[fol. 4270] DEF'TS' EX. D-135

Know all men by these presents, that Western Electric Company, Incorporated, a New York corporation (hereinafter called the Western Company) Party of the first part, for and in consideration of the sum of One dollar and other good and valuable considerations to it in hand paid at or before the ensealing and delivery of these presents by Electrical Research Products Inc., a Delaware corporation (hereinafter called the Products Company), party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold, assigned and delivered and by these presents does grant, bargain, sell, assign and deliver unto the Products Company, its successors and assigns, all right, title and interest of the Western Company in and to the following property:

1. One hundred fifty thousand (150,000) shares of the capital stock of Graybar Electric Company, Inc.

2. Twenty-six thousand one hundred sixty (26,160) shares of the capital stock of Northern Electric Company, Limited.

3. One hundred (100) shares of the capital stock of Western Electric Company, Limited of Canada.

4. One hundred (100) shares of Western Electric Company, Limited of London.

5. All accounts receivable owing on January 1, 1927, by Western Electric Company, Limited of Canada to the Western Company.

6. All accounts receivable owing on January 1, 1927, by Western Electric Company, Limited of London to the Western Company.

7. Bonds and certificates of indebtedness of the United States of the aggregate face value of $30,000,000 which are listed in Exhibit A attached hereto, subject, however, to outstanding agreements by the Western Company to re-sell said securities or any part thereof at rates or on bases fixed at the time the same were purchased by the Western Company, which re-sale agreements are hereby assumed by the Products Company.

[fol. 4271] 8. All accounts receivable outstanding on January 1, 1927, which relate solely to the business agreed to be transferred by the Western Company to the Produets Company pursuant to the provisions of an agreement between said companies dated December 30, 1926.

9. All interest accrued and unpaid to January 1, 1927, on items 5, 6, 7 and 8 above listed.

10. All royalties accrued and unpaid to January 1, 1927, under contracts to be assigned by the Western Company to the Produets Company, pursuant to the provisions of an agreement between said companies dated December 30, 1926, less such part of said royalties as the Western Company is obligated to pay to others.

11. Apparatus, material and equipment which on January 1, 1927, was under lease or loan by the Western Company in the course of that part of its business to be transferred to the Products Company, pursuant to the provisions of an agreement between said companies dated December 30, 1926.

12. All right, title and interest of the Western Company or of others acting for it in and to the following claims:

(a) Claim against Russia on account of deposits in banks, stock interest in, and receivables from, N. C. Heisler and Company, and accounts receivable owing to the Western Company (as assignee of International Western Electric Company, Incorporated and its subsidiaries) from Russian customers.

(b) Claim against Germany for losses and damages in Belgium growing out of the World War.

13. The Western Company's business (as distinguished from its property) existing on January 1, 1927 which is

separate and distinct from the business reserved to the Western Company pursuant to the provisions of an agreement between it and the Products Company dated December 30, 1926.

[fol. 4272] 14. All right, title and interest which the Western Company has the right so to transfer in and to all contracts, good-will, patents, trade-marks and trade-names of the Western Company (except the trade-mark or trade-name "Western Electric") in so far as but only to the extent that the same respectively pertain to the business and property agreed to be transferred pursuant to the provisions of an agreement between the Western Company and the Products Company dated December 30, 1926, and subject to all the reservations, terms, conditions and limitations in said agreement contained.

The Western Company agrees to execute, acknowledge and deliver such further instruments in writing as may be necessary to carry into effect the transfer and assignment of the business, property, effects, assets, rights, licenses and good-will covered hereby to the Products Company.

To have and to hold the said business, property, effects, assets, rights, licenses and good-will unto the Products Company, its successors and assigns to and for it and their own proper use and behoof forever.

In witness whereof the said party of the first part has caused these presents to be executed on its behalf by its officers thereunto duly authorized, and its corporate seal to be hereunto affixed the third day of January, 1927.

Western Electric Company, Incorporated, by (Sgd.) H. A. Halligan, Vice-President. Attest: (Sgd.) H. B. Gilmore, Secretary.

[fol. 4273]

EXHIBIT "A"

United States Government Securities

Issue	Rate	Face Value
1st Liberty Loan 1932-47	3½%	$500,000
1st Liberty Loan 1932-47	4¼%	500,000
2nd Liberty Loan 1927-42	4¼%	5,500,000
3rd Liberty Loan 1928	4¼%	4,000,000
4th Liberty Loan 1933-38	4¼%	10,600,000
U. S. Treasury Refunding Bonds 1944-54	4%	3,500,000
U. S. Treasury Refunding Bonds 1947-52	4¼%	960,000
U. S. Treasury Notes due 3/15/27	4¾%	4,440,000
		$30,000,000

[fol. 4274] EXHIBIT D-136

Net Profits on Sales of New A. T. & T. Instruments, 1916 to 1927, Inclusive

(Dollars in Thousands)

	Sales	Net Profits on Sales Before Deducting Federal Taxes	Per Cent Net Profits To Sales Before Federal Taxes	Federal Taxes	Net Profits After Deducting Federal Taxes	Per Cent Net Profits to Sales
1927	$4,836	$743	15.4	$97	$646	13.4
1926	5,262	1,043	19.8	141	902	17.2
1925	5,017	624	12.4	85	539	10.8
1924	4,900	975	19.9	117	858	17.5
1923	4,496	698	15.5	79	619	13.8
1922	4,343	894	20.6	112	782	18.0
1921	4,598	1,064	23.1	106	958	20.8
1920	3,853	606	15.7	61	545	14.1
1919	2,530	(187)	(7.4)	0	(187)	(7.4)
1918	2,230	124	5.6	15	109	4.9
1917	2,421	423	17.5	31	392	16.2
1916	2,201	180	8.2	4	176	8.0
	$46,687	$7,187	15.4	$848	$6,339	13.9

(Here follows side folio 4275)

Western Electric Company,
Incorporated
General Accounting Department.

EXHIBIT D-137

Date Issued

D-137

NET PROFITS ~~ON INVESTMENT IN~~ NEW A. T. & T. INSTRUMENTS.
1916 TO 1926
~~(Expressed in Thousands of Dollars)~~

	a	b Net Profits on Sales of A.T.&T. Instruments Before Deducting Taxes	c Per Cent of Sales	d Federal Taxes	e Net Profits After Deducting Taxes	e Per Cent Sales	f Average Investment (S)	g Return on Investment (e÷f)	
1926	$ 5,262	$1,043	19.8	$141	$ 903	17.2	$6,626	13.6%	1
1925	5,017	624	12.4	85	571	11.4	6,707	8.5	2
1924	4,900	975	19.9	117	858	17.5	6,052	14.2	3
1923	4,496	698	15.5	79	619	13.8	5,482	11.3	4
1922	4,343	894	20.6	112	782	18.0	5,045	15.5	5
1921	4,598	1,064	23.1	106	958	20.8	6,054	15.8	6
1920	3,853	606	15.7	61	545	14.1	5,262	10.4	7
1919	2,530	(187)	(7.4)	0	(187)	(7.4)	3,196	(5.9)	8
1918	2,230	124	5.6	15	109	4.9	2,601	4.2	9
1917	2,421	423	17.5	31	392	16.2	2,813	13.9	10
1916	2,201	180	8.2	4	176	8.0	2,936	6.0	11
	41,851	6,444	15.4	751	5,726	13.7	4,798	10.9	12

( ) Indicates negative figures.

S Average investment represents the book cost of plant and working assets less current accounts payable.

U Reconciled with CA-4.13 report as follows:

	1926	
Column b, line 5, CA-4.13		
Profit W. E. Company should earn (20% over completed cost before adding Federal Income Tax) - - - - - - - - - - - -	$ 844,000	13
Column a, line 8, CA-4.13		
Profits more than 20% by - - - - - - - - - - - - - - - -	199,000	14
Total net profit before deducting Federal Income Tax (13 + 14) - - - - - - - - - - -	1,043,000	15

[fol. 4276] Ex. D-137

Date Issued:—— ——

Western Electric Company, Incorporated

General Accounting Department

CA-4.14

Net Profits on Investment in New A. T. & T. Instruments, 1916 to 1926
(Expressed in Thousands of Dollars)

	a	b	c	d	e	f	g	
	Sales	Net Profits on Sales of A. T. & T. Instruments Before Deducting Taxes	Per Cent of Sales (b-a)	Federal Taxes	Net Profits after Deducting Taxes (b-d)	Average Investment (S)	Return on Investment (e-f)	
1926	$5,262	$1,043 (U)	19.6	$141	$903	$6,626	13.6	1
1925	5,017	624	12.4	85	571	6,707	8.5	2
1924	4,900	975	19.9	117	858	6,052	14.2	3
1923	4,496	698	15.5	79	619	5,482	11.3	4
1922	4,343	894	20.6	112	782	5,045	15.5	5
1921	4,598	1,064	23.1	106	958	6,054	15.8	6
1920	3,833	606	15.7	61	545	5,262	10.4	7
1919	2,530	(187)	(7.4)	0	(187)	3,196	(5.9)	8
1918	2,230	124	5.6	15	109	2,601	4.2	9
1917	2,421	423	17.5	31	392	2,813	13.9	10
1916	2,201	180	8.2	4	176	2,936	6.0	11
	41,851	6,444	15.4	751	5,726	4,798	10.9	12

( ) Indicates negative figures.

S. Average investment represents the book cost of plant and working assets less current accounts payable.

U. Reconciled with CA-4.13 report as follows:

	1926	
Column b, line 5, CA-4.13: Profit W. E. Company should earn (20% over completed cost before adding Federal Income Tax)	$844,000	13
Column a, line 8, CA-4.13: Profits more than 20% by	199,000	14
Total net profit before deducting Federal Income Tax (13 plus 14)	1,043,000	15

[fol. 4277] EXHIBIT D-138

Illinois Bell Telephone Company, Chicago Area

Comparison of Depreciation Expense Actually Charged for Certain Accounts and as Modified on Basis of Present View (1932).

[fol. 4278] Illinois Bell Telephone Company, Chicago Area

Comparison of Depreciation Expense Actually Charged for Certain Accounts and as Modified on Basis of Present View (1932)

Year	Actual Expense	Present View	Excess of Present View over Actual
1923	3,286,960	3,127,118	159,842*
1924	2,789,383	2,787,995	1,388*
1925	3,106,583	3,149,303	42,720
1926	2,929,282	3,010,945	81,663
1927	3,239,054	3,325,978	86,924
Total	15,351,262	15,401,339	50,077

* Red Figure.

[fol. 4279]

Illinois Bell Telephone Company, Chicago Area

Comparison of Depreciation Rates Used in 1923–1927, Inclusive, and as Modified on Basis of Present View (1932)

	1923			1924			1925			1926			1927		
Property	Life	Salv.	Rate	Life	Salv.	Rate	Life	Salv.	Rate	Life	Salv.	Rate	Life	Salv.	Rate
C. O. Equipment:															
Actual	10	20%	8.0%	12	20%	6.7%	12	20%	6.7%	12	20%	6.7%	12	20%	6.7%
Revised—Manual	12.5	10	7.2	12.5	10	7.2	12.5	10	7.2	12.5	10	7.2	12.5	10	7.2
Dial	....	....	.....	18	5	5.3	18	5	5.3	18	5	5.3	18	5	5.3
Toll	7.5	22	10.4	7.5	22	10.4	7.5	22	10.4	7.5	22	10.4	7.5	22	10.4
Other Equip.	9	50	5.6	9	50	5.6	9	45	6.1	9	45	6.1	9	45	6.1
Composite			7.4			7.0			7.1			7.1			7.1
Station Apparatus:															
Actual	5	65	7.0	5	70	6.0	5	70	6.0	....	....	.....	....	....	.....
Revised—Substations	7	60	5.7	7	60	5.7	6	65	5.8	....	....	.....	....	....	.....
Teletype	....	....	.....	....	....	.....	3	65	11.7	....	....	.....	....	....	.....
Composite			5.7			5.7			5.8						

Illinois Bell Telephone Company, Chicago Area

Illinois Bell Telephone Company, Chicago Area

Comparison of Depreciation Rates Used in 1923–1927, Inclusive, and as Modified on Basis of Present View (1932)

Property	1923			1924			1925			1926			1927		
	Life	Salv.	Rate	Life	Salv.	Rate	Life	Salv.	Rate	Life	Salv.	Rate	Life	Salv.	Rate
Booths and Spl. Fittings:															
Actual	7	45	8.0	8	35	8.0	8	35	8.0	8	35	8.0	8	35	8.0
Revised	10	55	4.5	10	55	4.5	10	55	4.5	10	60	4.0	10	60	4.0
Exchange Pole Lines:															
Actual	13	0	7.7	14	5*	7.5	14	5*	7.5	14	5*	7.5	14	5*	7.5
Revised	20	10*	5.5	21	10*	5.2	21	10*	5.2	21	10*	5.2	22	10*	5.0
Exchange U. G. Cable:															
Actual—Main	25	40	2.4	....	....	.....	....	....	.....	....	....	.....	....	....	.....
Subsidiary	20	20	4.0	....	....	.....	....	....	.....	....	....	.....	....	....	.....
Composite			2.7	....	....	.....	....	....	.....	....	....	.....	....	....	.....
Revised—Main Subsc	20	40	3.0	....	....	.....	....	....	.....	....	....	.....	....	....	.....
Subsidiary	15	0	6.7	....	....	.....	....	....	.....	....	....	.....	....	....	.....
House	20	0	5.0	....	....	.....	....	....	.....	....	....	.....	....	....	.....
Trunk	22	40	2.7	....	....	.....	....	....	.....	....	....	.....	....	....	.....
Load Coils	10	40	6.0	....	....	.....	....	....	.....	....	....	.....	....	....	.....
Composite			3.6			.....			.....			.....			.....

* Red Figure.

[fol. 4280] Depreciation Rates, 1923-1927, Inclusive

(As estimated by J. R. Turner March 4, 1932)

Central Office Telephone Equipment:

The same life as that now in effect was used in all previous years for central offices then in service and now surviving. The actual life of offices in service in each year, which have since been retired, was included in the composite life. The same method was followed for salvage.

Other Equipment of Central Office:

Nine year life used throughout based on turnover cycle studies and retirement ratios. Salvage varied in accordance with salvage chart.

The depreciation rates derived from the above life and salvage factors were then composited into one rate for Central Office Equipment comparable to the rate actually in effect for this period.

Station Apparatus:

An examination of the rate of retirement which showed an upward tendency subsequent to 1920, indicated that an average life of seven years would be a reasonable expectation for the years 1923 and 1924, and six years for 1925.

The salvage used with the seven year life was computed on the basis of three service lives. For the six year life 3½ service lives were used.

Available information is insufficient to justify a change in the average life of teletypewriters during this period. Changes in supply expense were too small to require a change in salvage. Three service lives were used throughout.

Booths:

The turnover cycle studies combined with a consideration of the higher rate of retirement during the period, than previously experienced, indicated a ten year life throughout. The only deviation in salvage was that caused by the decreasing supply expense.

Exchange Poles:

From the mortality studies it appears that a life of 20 years has been applicable for untreated poles during the period 1923-1927. The life used in each year was the com-

posite of this and 27 years for treated poles weighted on the relative investment at the beginning of each year. The use of this longer life than that of poles retired, justifies the use of —10% net salvage throughout.

[fol. 4281] Exchange U. G. Cable:

The lives of all classes of U. G. cable have been estimated by judgment predicated upon the results shown by the mortality studies. Allowance has been made for a somewhat longer life for the full size cables. Salvage estimated for all classes has closely followed the experience shown by the salvage charts.

[fol. 4282] Illinois Bell Telephone Company, Chicago Area

Comparison of Depreciation Expense Actually Charged for Certain Accounts and as Modified on Basis of Present View (1932)

	Actual Expense			Present View		
Year	Investment in Physical Property	Interest During Construction	Total	Investment in Physical Property	Interest During Construction	Total
1923...	3,242,025	44,935	3,286,960	3,085,213	41,905	3,127,118
1924...	2,748,642	40,741	2,789,383	2,745,432	42,563	2,787,995
1925...	3,060,331	46,252	3,106,583	3,100,292	49,011	3,149,303
1926...	2,872,701	56,581	2,929,282	2,950,987	59,958	3,010,945
1927...	3,178,194	60,860	3,239,054	3,261,487	64,491	3,325,978
Total	15,101,893	249,369	15,351,262	15,143,411	257,928	15,401,339

[fol. 4283] Illinois Bell Telephone Company, Chicago Area

Comparison of Depreciation Expense Actually Charged for Certain Accounts and as Modified on Basis of Present View (1932)

1923

	Actual Expense	Present View	Excess of Present View Over Actual
Central Office Equip.	$2,003,375.89	$1,853,122.70	$150,253.19*
Station Apparatus	585,153.58	476,482.20	108,671.38*
Booths & Spl. Fittings	21,109.26	11,873.96	9,235.30*
Exchange Pole Lines	160,646.98	114,747.84	45,899.14*
Exchange U. G. Cable	471,739.42	628,985.90	157,246.48
Total	$3,242,025.13	$3,085,212.60	$156,812.53*

* Red Figure.

[fol. 4284]

1924

	Actual Expense	Present View	Excess of Present View over Actual
Central Office Equip.	$1,981,269.54	$2,069,983.10	$88,713.56
Station Apparatus	570,752.31	542,214.70	28,537.61*
Booths & Spl. Fittings	23,609.57	13,280.38	10,329.19*
Exchange Pole Lines	173,010.99	119,954.28	53,056.71*
Total	$2,748,642.41	$2,745,432.46	$3,209.95*

* Red Figure.

[fol. 4285]

1925

	Actual Expense	Present View	Excess of Present View over Actual
Central Office Equip.	$2,208,049.05	$2,339,872.87	$131,823.82
Station Apparatus	634,399.36	613,252.71	21,146.65*
Booths & Spl. Fittings	29,797.16	16,760.90	13,036.26*
Exchange Pole Lines	188,085.36	130,405.85	57,679.51*
Total	$3,060,330.93	$3,100,292.33	$39,961.40

* Red Figure.

[fol. 4286]

1926

	Actual Expense	Present View	Excess of Present View Over Actual
Central Office Equip.	$2,636,569.77	$2,793,976.93	$157,407.16
Booths & Spl. Fittings	34,697.10	17,348.55	17,348.55*
Exchange Pole Lines	201,434.51	139,661.26	61,773.25*
Total	$2,872,701.38	$2,950,986.74	$ 78,285.36

* Red Figures.

[fol. 4287]

1927

	Actual Expense	Present View	Excess of Present View over Actual
Central Office Equip.	$2,924,168.22	$3,098,745.42	$174,577.20
Booths & Sup. Fittings	39,656.22	19,828.11	19,828.11*
Exchange Pole Lines	214,369.47	142,912.98	71,456.49*
Total	$3,178,193.91	$3,261,486.51	$83,292.60

* Red Figure.

(Here follow side folios 4288-4305)

ILLINOIS BELL TELEPHONE COMPANY
CHICAGO AREA

Form 3220

DEPRECIATION EXPENSE

PROPERTY	AVERAGE INVESTMENT	DEPRECIATION ACTUAL RATE	DEPRECIATION ACTUAL EXPENSE	DEPRECIATION PRESENT VIEW RATE	DEPRECIATION PRESENT VIEW EXPENSE	Excess of P.V. over a/c
1923						
221-222	25,042,198.59	8.0	2,003,375.89	7.4	1,853,122.70	* 150,253.19
231	* 3591836.91	7.0	585,153.58	5.7	476,482.20	* 108671.38
235	263865.74	8.0	21,109.26	4.5	11,873.98	* 9235.30
241	2,086,324.37	7.7	160,646.98	5.5	114,747.84	* 45,899.14
245	17,471,830.42	2.7	471,739.42	3.6	628,985.90	157,246.48
TOTAL			3,242,025.13		3085,212.60	* 156,812.53
1924						
221 222	29,571,187.10	6.7	1,981,269.54	7.0	2,069,983.10	88713.56
231	9,512,538.55	6.0	570,752.31	5.7	542,214.70	* 28537.61
235	295,119.59	8.0	23609.57	4.5	13,280.38	* 10329.19
241	2,306,813.46	7.5	173,010.99	5.2	119,954.28	* 53059.71
TOTAL			2,748,642.41		2,745,432.46	* 3209.95
1925						
221 222	32,955,955.90	6.7	2,208049.05	7.1	2,339,812.87	131823.82
231	10,513,322.61	6.0	634,399.36	5.8	613,252.71	* 21146.65
235	372,464.53	8.0	29797.16	4.5	16,760.90	* 13036.26
241	2,507,804.86	7.5	188,015.36	5.2	130,405.85	* 57609.51
TOTAL			3,060,330.93		3,100,292.33	39,961.40
1926						
221.222	39,351,787.68	6.7	2,636,569.77	7.1	2,793,976.93	157407.16
235	433,713.78	8.0	29,697.10	4.0	17348.55	* 17348.55
241	2,685,793.40	7.5	201,434.51	5.2	139,661.26	* 61773.25
TOTAL			2,872,701.38		2950,986.14	78,285.36
1927						
221.222	[redacted]301.76	6.7	2,924,168.22	7.1	3048,745.42	124577.20
235	702.76	8.0	29,656.22	4.0	19,828.11	* 19828 11
241	2,858,259.63	7.5	214,369.44	5.0	142,912.98	* 71456 46
TOTAL			3178,193.91		3,261,486.51	83,292.60

* RED FIGURE

Form 3102

ILLINOIS BELL TELEPHONE COMPANY
CHICAGO AREA.
COMPOSITE DEPRECIATION RATES.

PROPERTY	JAN. 1, 1923 INVESTMENT DEC. 31, 1922	BASIC RATES	JAN. 1, 1923 DEPRECIATION EXPENSE	JAN. 1, 1923 COMPOSITE RATE	JAN. 1, 1924 INVESTMENT DEC. 31, 1923	BASIC RATES	JAN. 1, 1924 DEPRECIATION EXPENSE	JAN. 1, 1924 COMPOSITE RATE	INVESTME DEC. 31, 19
C.O. TELEPHONE EQUIPMENT									
MANUAL	17 765 570	7.2	1 277 121		20 453 865	7.2	1 477 678		22 439
DIAL	—	—	—		5 164 290	5.3	268 407		5 019
TOLL	1 779 443	10.4	184 958		1 947 222	10.4	202 511		5 411
SUB TOTAL	19 544 013		1 462 079	7.5	27 465 377		1 948 596	7.1	27 849
OTHER EQUIPT. OF C.O.	831 492	5.6	46 592		892 698	5.6	49 991		987
TOTAL	20 376 605		1 508 671	7.4	28 358 075		1 998 587	7.0	30 837
STATION APPARATUS									
SUB-STATIONS									10 051
TELETYPEWRITERS									10
COMPOSITE									10 061
EXCHANGE U.G. CABLE									
MAIN SUBSCRIBERS	7 051 008	3.0	211 530						
SUBSIDIARY	1 781 062	6.7	119 867						
HOUSE	2 063 101	5.0	103 155						
TRUNK	5 318 751	2.7	143 612						
LOAD COILS	457 496	6.0	27 450						
COMPOSITE	16 679 618		605 614	3.6					

PROPERTY	JAN. 1, 1926 INVESTMENT DEC. 31, 1925	BASIC RATES	JAN. 1, 1926 DEPRECIATION EXPENSE	JAN. 1, 1926 COMPOSITE RATE	JAN. 1, 1927 INVESTMENT DEC. 31, 1926	BASIC RATES	JAN. 1, 1927 DEPRECIATION EXPENSE	JAN. 1, 1927 COMPOSITE RATE
C.O. TELEPHONE EQUIPMENT								
MANUAL	25 604 205	7.2	1 843 503		29 403 697	7.2	2 117 066	
DIAL	7 225 840	5.3	382 970		8 143 909	5.3	431 627	
TOLL	3 000 123	10.4	312 013		3 581 785	10.4	372 506	
SUB-TOTAL	35 829 168		2 538 486	7.1	41 129 391		2 921 199	7.1
OTHER EQUIPT. OF C.O.	1 091 276	6.1	66 568		1 303 418	6.1	79 508	
TOTAL	36 921 444		2 605 054	7.1	42 432 809		3 000 707	7.1
STATION APPARATUS								
SUB-STATIONS	11 077 524	6.0	664 651		12 115 699	6.0	720 942	
TELETYPEWRITERS	23 233	11.7	2 718		49 616	11.7	5 805	
COMPOSITE	11 100 757		667 369	6.0	12 165 315		726 747	6.0

ILLINOIS BELL TELEPHONE COMPANY.

CHICAGO AREA.

COMPOSITE DEPRECIATION RATES.

STATION APPARATUS	COMPOSITE RATE		JAN. 1, 1924 INVESTMENT DEC. 31 1923			BASIC RATES	JAN. 1, 1924 DEPRECIATION EXPENSE		COMPOSITE RATE		JAN. 1, 1925 INVESTMENT DEC. 31 1924			BASIC RATES	JAN. 1, 1925 DEPRECIATION EXPENSE		COMPOSITE RATE	
221			20	453	065	7.2	1 473	618			22	439	365	7.2	1 615	634		
			5	164	294	5.3	268	407			5	019	111	5.3	266	163		
956			1	947	222	10.4	202	511				541	378	10.4	203	503		
079	7.	5	27	465	377		1943	576	7.	1	29	849	844		2127	800	7.	1
592				892	698	5.6	49	941				987	256	6.1	60	223		
671	7.	4	28	358	071		1993	587	7.	0	30	837	100		3188	023	7.	1
											10	051	213	5.8	582	970		
												0	125	0 7	1	185		
											10	061	338		584	155	5.	8
531																		
847																		
155																		
612																		
450																		
614	3.	6																

JAN. 1, 1927

STATION APPARATUS	COMPOSITE RATE		INVESTMENT DEC. 31 1926			BASIC RATES	DEPRECIATION EXPENSE		COMPOSITE RATE	
503			29	403	697	7.2	2 117	066		
970			8	143	909	5.3	431	627		
013			3	581	785	10.4	372	506		
486	7.	1	41	129	391		2 921	199	7.	1
568			1	303	418	6.1	79	508		
054	7.	1	42	432	809		3 000	707	7.	1
671			12	115	699	6.0	720	942		
718				49	616	11.7		80		
369	6.	0	12	164	315		726	747	6.	0

ILLINOIS BELL TELEPHONE COMPANY
CHICAGO AREA
DEPRECIATION EXPENSE
INTEREST DURING CONSTRUCTION

Form 3220

YEAR	ACCT.	AVERAGE INVESTMENT ACCT 268.	DEPRECIATION ACTUAL RATE	DEPRECIATION ACTUAL EXPENSE	DEPRECIATION PRESENT VIEW RATE	DEPRECIATION PRESENT VIEW EXPENSE
1923						
	221-222	551,218.44	8.0	44,097.48	7.4	40,790.16
	231	—		—		—
	235	—		—		—
	241	54.18	7.7	4.17	5.5	2.98
	245	30.875.18	2.7	833.63	3.6	1.111.51
	TOTAL			44.935.28		41.904.65
	Portion transferred			11,233.82		10476.16
1924						
	221-222	608,000.62	6.7	40.736.04	7.0	42,560.04
	231	—		—		—
	235	—		—		—
	241	59.76	7.5	4.48	5.2	3.11
	TOTAL			40.740.52		42.563.15
1925						
	221-222	690.251.70	6.7	46.246.86	7.1	49.007.87
	231	—		—		—
	235	—		—		—
	241	67.84	7.5	5.09	5.2	3.53
	TOTAL			46.251.95		49.011.40
1926						
	221-222	844,422.40	6.7	56,576.30	7.1	59,953.99
	235	—		—		—
	241	68.84	7.5	5.16	5.2	3.58
	TOTAL			56 581.46		59.957.57
1927						
	221-222	908,270.96	6.7	60,854.15	7.1	64,487.24
	235	—		—		—
	241	71.75	7.5	5.38	5.0	3.59
	TOTAL			60,859.53		64,490.83

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ILLINOIS BELL TELEPHONE COMPANY
CHICAGO AREA
ALLOCATION OF AVERAGE INVESTMENT IN ACCOUNT 268 FOR 1923 AND 1924
ON BASIS OF 1925 SEPARATION

Form 3220

	AVERAGE INVESTMENT IN ACCOUNT 268				
	1925	1924		1923	
		RATIO	AMOUNT	RATIO	AMOUNT
212	23,239.62		20,470.36		18,558.60
221-222	690,251.70		608,000.62		551,218.44
231-232	7.50		6.61		5.99
241	67.84		59.76		54.18
242	1,046.06		921.41		835.36
243	3.11		2.74		2.48
244	2,128.05		1,874.47		1,699.41
245	38,662.79		34,055.69		30,875.18
255	2,635.11		2,321.11		2,104.34
TOTAL	758,041.78	.880839	667,712.91	.798576	605,354.21

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Illinois Bell Telephone Company.
Chicago Area
Transmit Central Offices Buildings

Form 3220

Composite Average of Calculations for Buildings in Service as of December 31, 1922

Buildings	Investment Dec 31 1922	Estimated Average Life at Retirement	Annual Requirement	Estimated Net Salvage %	Estimated net Salvage	
Auditorium	$ 129,917	36.15	3,593.83	16.7	60	
Belmont	128,598	18.75	6,858.56	27.1	1859	
Beverly	54,216	37.45	1,369.19	7.0	96	
Calumet (old)	16,778	17.85	939.94	14.4	135	
Calumet (new)	146,926	16.11	9,121.42	38.9	3548	
Canal	84,731	12.28	6,916.21	32.3	2234	
Lawndale	35,209	25.59	1375.89	79.0	1087	
Edgewater	134,389	23.03	5,833.68	23.1	1386	
Humboldt	132,750	18.23	7,281.95	35.7	2600	
Hyde Park	187,911	38.47	4,865.90	18.7	910	
Irving	164,715	17.14	6,169.39	23.6	1642	
Kedzie	137,531	16.81	8,181.56	23.0	1882	
Kildare	139,[illegible]	38.38	3,629.10	17.7	642	
Lakeview (old)	82,826	23.62	3,506.52	29.0	1017	
Lakeview (new)	121,756	3260	3734.54	20.0	747	
Lawndale	140,382	16.70	8,406.11	14.8	1244	
Lincoln	86,938	14.91	5,431.79	11.7	636	
Main	352,170	27.14	13,081.43	-	-	
La Fayette	118,812	33.28	3,570.07	7.1	253	
Marquette	62,019	15.51	5,288.14	15.5	767	
Morgan Park	55,686	20.57	2,707.15	25.9	701	
Oakland	82,742	21.17	3,910.82	8.8	344	
Prospect	102,742	12.40	8,289.68	23.7	1965	
Pullman	66,203	37.98	1,743.23	7.2	26	
Randolph	171,422	17.27	9,926.00	100.0	9,926	
Rogers Park	101,789	36.10	2819.64	18.0	508	
So Chicago	105,712	34.55	3,059.68	7.7	236	
Stewart	99,529	13.79	7217.48	26.1	1884	
Superior (Belmont)	59,736	24.06	2,482.71	55.9	1388	
Test	513,936	21.42	23,993.28	-	-	
Wabash	330,127	35.00	9,432.20	20.0	1886	
Wentworth	102,208	25.23	4,051.05	15.6	632	
West	194,734	15.69	12,411.34	11.1	1378	
Yards	70,610	16.76	4,213.01	13.2	556	
Total	$ 4,495,696	21.79	206,352.40	21.6	44,617	
			[illegible]	= 3.0		

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Illinois Bell Telephone Company
Chicago Area

Manual Central Office Buildings

Composite Average Life Calculations for Buildings in Service as of December 31, 1923

Form 3220

Buildings	Investment Dec 31, 1923	Estimated Average Life at Retirement	Average Life Requirements	Estimated Net Salvage %	Estimated Net Salvage
Auxiliary	122,242	36.15	3381.37	16.7	565
Belmont	148,248	18.75	7906.56	27.1	2143
Bundy	51,302	37.45	1369.88	7.0	96
Calumet (old)	18,090	17.85	1013.45	14.4	146
Calumet (new)	149,468	16.11	9277.96	38.9	3609
Canal	85,572	12.28	6968.40	32.3	2251
Delaware	61,322	24.06	2548.71	56.9	1425
Douglas	35,752	25.59	1397.11	79.0	1104
Edgewater	139,513	23.03	6057.88	23.5	1422
Humboldt	135,088	18.23	7410.20	35.7	2645
Hyde Park	190,372	38.47	4948.58	18.7	925
Irving	106,820	17.14	6232.21	23.6	1471
Kedzie	138,104	16.81	8215.59	29.0	1890
Kildare	139,921	38.38	3645.67	17.7	645
Lakeview (old)	86,059	23.62	3643.48	29.0	1057
Lakeview (new)	121,746	32.60	3734.54	20.0	747
Lawndale	144,519	16.70	8654.19	14.8	1254
Lincoln	133,871	14.91	8978.60	11.7	1050
La Fayette	118,998	33.28	3575.66	7.1	254
Main	388,568	27.14	14317.17	-	-
Monroe	83,805	15.51	5403.29	14.5	783
Morrell Park	56,369	20.57	2740.35	25.9	710
Oakland	84,843	21.17	4007.70	8.8	353
Prospect	103,313	12.40	8331.69	23.7	1975
Pullman	66,254	37.98	1744.44	7.2	126
Randolph	184,371	17.27	10,675.80	100.0	10,675
Regent Park	102,741	36.10	4508.06	18.0	811
S. Chicago	106,280	34.54	3076.12	7.7	237
Stewart	102,742	13.79	7450.47	26.1	1945
Test	519,843	21.42	24269.05	-	-
Wabash	331,546	35.00	9472.74	20.0	1895
Wentworth	102,874	25.23	4077.45	15.6	636
West	195,949	15.69	12488.78	11.1	1386
Yards	71,777	16.76	4282.64	13.2	565
Total	4,685,282	21.73	215,625.94	21.7	46,813

25 yr - 1% ann. inc. = 3.0 %

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38246

HISTORICAL DATA FOR MORTALITY STUDY OF BUILDINGS

Delaware
NAME OF BUILDING

NAME OF EXCHANGE

COMPANY

TYPE OF BUILDING

17

CALENDAR YEAR	ACTUAL GROSS ADDITIONS	ACTUAL RETIREMENTS	INDEX NUMBERS FOR GROSS ADDITIONS	INDEX NUMBERS FOR RETIREMENTS	ADJUSTED GROSS ADDITIONS	ADJUSTED RETIREMENTS	ADJUSTED AMOUNT IN SERVICE ON DEC. 31 OF EACH YEAR	AVERAGE AMOUNT IN SERVICE EACH YEAR	ACCUMULATIVE DOLLAR YEARS DEC. 31 OF EACH YEAR	ACCUMULATIVE GROSS ADDITIONS DEC. 31 OF EACH YEAR	AVERAGE REALIZED LIFE DEC. 31 OF EACH YEAR
19[illegible]	61						67 976		1666 374	73041	22.81
1930	468						68 420	33 908 34 210	1,734 572	73.485	
1931	31	68.751					0	34 310 0 =	1,768,782	73.516	24.06

ILLINOIS BELL TELEPHONE COMPANY
AVERAGE REALIZED LIFE STUDY

OF Buildings

Randolph
NAME OF CENTRAL OFFICE

Chicago
NAME OF EXCHANGE

Central Office
TYPE OF Building

CALENDAR YEAR	GROSS ADDITIONS	RETIREMENTS	AMOUNT IN SERVICE DEC. 31 OF EACH YEAR	AVERAGE AMOUNT IN SERVICE EACH YEAR	CUMULATIVE DOLLAR YEARS DEC. 31 OF EACH YEAR	CUMULATIVE GROSS ADDITIONS DEC 31 OF EACH YEAR	AVERAGE REALIZED LIFE DEC. 31 OF EACH YR
1904	23,082		23,082	11,641	11,541	23,082	
1905	77,869		100,951	62,376	73,557	100,951	
1906	32,918		133,869	50,478	190,967	133,869	
1907	547		134,416	66,438	325,110	134,416	
1908			134,416	67,208	459,226	134,416	
1909	523		134,939	67,209	594,260	134,939	
1910	668		135,607	67,469	729,476	135,607	
1911	627	97	136,137	67,804	865,348	136,234	
1912	214	432	135,919	67,809	1001,376	136,448	
1913	619	23	136,515	67,900	1137593	137067	
1914	1,343	17	137,841	68,258	1274771	138410	
1915	25,294	46	163,089	68,921	1,425,236	163,704	
1916	2,282	118	165,253	81,544	1,589,407	165,986	
1917	3,758	107	168,904	82,626	1756,481	169744	
1918		235	168,164	84,952	1,423,020	169,239	
1919	950	6	169,108	84,853	2,043,656	170,189	
1920	599	143	169,564	84,554	2262992	170,788	
1921	653	57	170,160	84,803	2,432,854	171,441	
1922	1,270	7	171,423	85,980	2,603,645	172,711	
1923	19,865	6,976	184,312	85,712	2,781,543	192576	
1924	3,533	365	187,540	92,180	2,767,499	196,109	
1925	2,395	61	189,874	93,730	3,156,206	198504	
1926	813	20	190,667	94,987	3,346,476	199317	
1927		190667	0	45,334	3441,810	199317	17.27

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Illinois Bell Telephone Company
Chicago Area
Dial Central Office Buildings
Average Life

Form 3220

	Investment Dec. 31	Average Life	Annual Requirement
1923			
Franklin	2,338,942	40	58,473.55
1924			
Franklin	2,323,303	40	58,082.58
Superior	715,893	30	23,863.10
Total	3,039,196	37.1	81,945.68
1925			
Franklin	2,339,986	40	58,499.65
Superior	740,486	30	24,682.87
Total	3,080,472	37.0	83,182.52
1926			
Franklin	2,344,094	40	58,602.35
Superior	740,554	30	24685.13
Total	3084,648	37.0	83287.48
1927			
Franklin	2,350,038	40	58,750.95
Lag Beach	335,754	30	11,191.80
Superior	740,750	30	24,691.67
Total	3,426,542	36.2	94,634.42

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Illinois Bell Telephone Company
Chicago Area
Garages and Warehouses
Composite Life and Salvage

Form 3220

	Investment (Col 3)	Average	Accruals	Net Salvage %	Net Salvage
1922					
North Div Barn	47 951	17.05	2,813	42.9	1,207
Cent	319 888	25.00	13,996	15.0	2,099
Total	397 845	23.67	16,809	19.1	3,206
1923					
North Div Barn	47 871	17.05	2,808	42.9	1,205
Cent	362 194	25.00	14,488	15.0	2,173
Total	410 065	23.71	17,296	19.5	3,378
1924					
North Div Barn	47 758	17.05	2,801	42.9	1,202
Cent	818 335	25.00	15,133	15.0	2,270
Total	426 093	23.76	17,934	19.4	3,472
1925					
North Div Barn	41,698	17.05	2,446	42.9	1,049
Cent		25.00	15,362	15.0	2,304
Total	425 751	23.91	17,808	18.8	3,353
1926					
North Div Barn	41,312	17.05	2,423	42.9	1,039
Cent	386 217	25.00	15,449	15.0	2,317
Total	427 529	23.92	17,872	18.8	3,356

North Div Garage Retired 1928

24 yrs Average life used throughout period
20% Salvage " " " "

4297

Illinois Bell Telephone Company
Chicago Area
Manual Central Office Telephone Equipment
Calculation of Composite Average Service Life for Offices Retired during 1922

Form 3220

Office	Investment December 31, 1922	Estimated Life at Retirement	Annual Requirement	Retired Offices Percent Net Salvage	Retired Offices Cable & Wire Replacements
Austin	*506245	10.52	48122.15		
Belmont	624026	11.45	54500.09		
Beverly	129590	9.97	12997.99		
Calumet	628620	11.55	54425.97		
Canal	305855	9.69	31563.98		
Chesterfield	17207	11.01[91]	1562.15	9% 3 7.	53
Branford	* 860689	7.86	109502.42		
Douglas	226611	17.54	12919.67		
Edgewater	647635	18.33	35331.97		
Humboldt	646191	11.17	57850.58		
Hyde Park	901948	11.15	80892.20		
Irving	531871	14.33	37115.91		
Kedzie	603683	12.61	47813.35		
*Kildare	290920	13.21	22022.71		
Lafayette	270505	9.71	27858.34		
Lakeview	942722	11.17	84397.67		
Lawndale	718139	12.27	58528.04		
Lincoln	464374	10.64	43641.17		
Monroe	536778	12.79	41968.57		
Newcastle	-	9.75	-		
Oakland	725373	17.52	41402.57		
Prospect	358884	11.02	32566.61		
Pullman	232066	10.07	23045.28		
Randolph (Central)	305000 *	12.71[11.5]	29996.85	26.991	1557
Randolph	624440 * x	16.18[14.4]	38593.33	43.364	
Roger Park	395007	8.18	48284.36		2168
South Chicago	320225	12.66	25294.23		
Stewart	427212	11.88	35960.61		
Superior	331141	13.39	24720.47		
Wabash	1,379907	10.45[10.3]	132048.52	148.577	++810
Wentworth	621801	14.93	41647.16		
West	491652	12.76	38530.72		
Wrigley	459558	15.19	30253.98		
Main	1,125574	13.00[11.6]	86582.62	97.622	8133
		11.88	1486021.97		
		11.80			20381
	3452128	10.87	317520	96	
	14149321	13.00	1092255	100	109226
	17651449	12.52	1409775	99	134607
	12.5 yrs. 10% net = 7.2 rate				

4298

Illinois Bell Telephone Company
Chicago Area
Manual Central Office Telephone Equipment
Calculation of Composite Average Service Life for Offices in Service December 31, 1923

Form 3220

Office	Investment December 31, 1923	Estimated Life at Retirement	Annual Requirement	Retired Offices Percent Net Salvage	Retired Offices Salvage Value / Annual Requirements
Austin	660,586	10.52	62,793.35		
Belmont	657,322	11.45	57,408.03		
Beverly	207,114	9.97	20,779.72		
Calumet	756,726	11.55	65,517.40		
Canal	410,976	9.69	42,412.38		
Cheltenfield	17,462	11.01 9.8	1,586.01 1702	3 40	63. 47.58
Douglas	241,923	17.54	13,792.65		
Edgewater	842,456	18.33	45,960.56		
Humboldt	810,977	11.17	72,603.13		
Hyde Park	995,921	11.15	89,320.27		
Irving	600,699	14.33	41,918.98		
Kedzie	737,120	12.61	58,455.19		
Kildare	417,942	13.21	31,638.30		
La Fayette	283,214	9.71	29,167.23		
Lakeview	1,186,467	11.17	106,219.07		
Lawndale	843,706	12.27	68,761.70		
Lincoln	502,378	10.64	47,215.96		
Monroe	589,137	12.79	46,063.34		
Newcastle	5,665	9.75	581.03		
Oakland	882,103	17.52	50,348.92		
Prospect	465,534	11.02	42,244.46		
Pullman	248,568	10.07	24,684.01		
✓ Randolph	695,526	16.18 14.9	42,986.77 46,202	5%	2415. 2,149.34
Rogers Park	525,383	8.18	64,227.75		
South Chicago	412,354	12.66	32,571.41		
Stewart	573,883	11.88	48,306.65		
Superior	398,605	13.39	29,768.86		
✓ Wabash	1,466,113	10.45 9.3	140,297.89 151,447	8%	12,612 11,223.83
Wentworth	674,300	14.93	45,164.10		
West	533,914	12.76	41,842.74		
Yards	491,781	15.19	32,375.91		
Dearborn	1,003,942	7.86	127,727.91		
✓ Main	1,125,574	13 00 11.6	86,582.62 92,032	9%	8733 7792.44
Total	20,265,331	11.64	1,711,316.19		
	16,960,696	11.78	1,439,862.90	7.8	23,813.
	3,304,675		304,761		
	16,960,696	13	1,304,669	10	130,467
	3,304,675	10.84	304,859	7.8	23,813
	20,265,371	12.59	1609528	9.6%	154,280
		12.5 years 10% adj = 7.2 rate			

4299

ILLINOIS BELL TELEPHONE COMPANY
AVERAGE REALIZED LIFE STUDY
OF C O Telephone Equipment

Delaware
NAME OF CENTRAL OFFICE

Chicago
NAME OF EXCHANGE

No 1 Common Battery
TYPE OF Equipment

CALENDAR YEAR	GROSS ADDITIONS	RETIREMENTS	AMOUNT IN SERVICE DEC. 31 OF EACH YEAR	AVERAGE AMOUNT IN SERVICE EACH YEAR	CUMULATIVE DOLLAR YEARS DEC. 31 OF EACH YEAR	CUMULATIVE GROSS ADDITIONS DEC 31 OF EACH YEAR	AVERAGE REALIZED LIFE DEC. 31 OF EACH YR
1900							
1							
2							
3							
4							
5							
6							
7							
8							
9							
1910							
1							
2							
3							
4							
5							
6							
7							
8							
9							
1920							
1							
2							
3							
4							
5							
6							
7							
8							
1929	6.944	9.942	454.784	228.891 233.342	7.070.021	577.266	12.25
1930	6.460	14.837	471.407	237.342 230.707 220.708	7.518.117	578.726	
1931	717	440.690	0		7.738.820	578.009	13.39

Taken from 1914 Study 1930

4300

ILLINOIS BELL TELEPHONE COMPANY
AVERAGE REALIZED LIFE STUDY
OF C O. Telephone Equipment

Dearborn
NAME OF CENTRAL OFFICE

Chicago
NAME OF EXCHANGE

No 1 Common Battery
TYPE OF Equipment

CALENDAR YEAR	GROSS ADDITIONS	RETIREMENTS	AMOUNT IN SERVICE DEC. 31 OF EACH YEAR	AVERAGE AMOUNT IN SERVICE EACH YEAR	CUMULATIVE DOLLAR YEARS DEC. 31 OF EACH YEAR	CUMULATIVE GROSS ADDITIONS DEC. 31 OF EACH YEAR	AVERAGE REALIZED LIFE DEC. 31 OF EACH YR
1921							
2							
3							
4			1,409 Taken from 1930 Study				
5							
6							
7							
8							
1929	54542	8.351	1.259.779	604 794 633 840 639 887 643 385 643 544	8,620.568	1.312 693	7.57
1930	27 784	374	1.287.189		9 894 052	1340, 477	
1931		1,287.189	— 0 —		10,537.646	1,340, 477	7.86

ILLINOIS BELL TELEPHONE COMPANY
CHICAGO AREA
C.O. TELEPHONE EQUIPMENT
COMPARISON OF AVERAGE REALIZED LIFE
ON ACTUAL AND UNIFORM COST BASIS

OFFICE	INVESTMENT DEC. 31, 1928	AVERAGE REALIZED LIFE ACTUAL	AVERAGE REALIZED LIFE UNIFORM COST BASIS	ANNUAL REQUIREMENTS ACTUAL LIFE BASIS	ANNUAL REQUIREMENTS UNIFORM COST BASIS
A	B	C	D	E = B ÷ C	F = B ÷ D
BELMONT	1,214,002	7.18	7.05	169,081	172,199
BEVERLY	499,381	4.67	4.95	106,934	100,885
CALUMET	1,075,619	7.97	9.26	134,958	116,158
CANAL	667,364	7.43	9.28	89,820	71,914
DELAWARE	457,782	11.60	12.01	39,464	38,117
DOUGLAS	343,574	11.46	12.78	29,980	26,884
EDGEWATER	1,500,023	7.80	9.24	192,311	162,340
HUMBOLDT	1,167,985	8.23	9.89	141,918	118,098
IRVING	1,229,710	6.36	7.27	193,351	169,149
KEDZIE	1,146,825	8.44	9.70	135,880	118,229
LAKEVIEW	1,966,209	7.28	8.36	268,599	233,877
LAWNDALE	1,237,200	8.26	8.41	149,782	147,111
MONROE	824,959	10.57	12.13	78,047	68,010
OAKLAND	1,140,582	10.65	13.36	107,097	85,373
STEWART	1,358,385	5.31	5.71	255,816	237,896
WABASH	1,676,560	9.99	12.34	167,824	135,864
WENTWORTH	937,099	10.56	10.81	88,740	86,688
WEST YARDS	700,803	9.93	11.72	70,574	59,795
	677,026	10.62	14.06	63,750	48,153
COMPOSITE	19,810,087	7.98	9.02	2,483,910	2,196,740

$\frac{7.98}{9.02} = 89\%$

Hiss rates used to determine effect of using actual investment versus common cost basis in determining average life of retired offices

4302

Illinois Bell Telephone Company
Chicago Area
Toll Central Office Equipment
Composite Life and Salvage

Form 6220

	Investment	Average Life	Annual Requirement	Net Salvage %	Net Salvage
1922					
L.D. Toll Office	$755,016	5.86	$128,853	26.49	34,193
OBJ	594,917	11.42	52,094	14.32	7,460
Repeater Equip	428,291	8	53,536	20.0	10,707
Total	1,778,284	7.6	234,483	22.3	52,300
1923					
LD Toll Office	770,417	5.86	131,470	26.49	34,826
OBJ	599,998	11.42	51,751	14.32	7,411
Repeater Equip	585,648	8	73,206	20.0	14,641
Total	1,942,063	7.6	256,427	22.2	56,878
1924					
LD Toll Office	784,882	5.86	133,939	26.49	35,480
OBJ	597,716	11.42	52,339	14.32	7,495
Repeater Equip	958,621	8	119,828	20.1	23,966
Total	2,341,219	7.6	306,106	21.9	66,941
1925					
LD Toll Office	877,167	5.86	149,691	26.49	39,653
OBJ	597,716	11.42	52,339	14.32	7,495
Repeater Equip	1525,061	8	190,633	20.0	38,127
Total	2,999,964	7.6	392,663	21.7	85,275
1926					
LD Toll Office	1,058,707	5.86	180,667	26.49	47,059
OBJ	641,480	11.42	56,172	14.32	8,044
Repeater Equip	1,881,598	8	235,200	20.0	47,040
Total	3,581,785	7.6	472,039	21.8	102,943

Chicago Area

Average Life of Exchange Poles

Form 3220

	Investment Weighting Jan 1		Average Life		Annual Requirement	
1923						
Treated	10%		27		4%	
Untreated	90		20		45	
Total	100		20.4		49	
1924						
Treated	16		27		6	
Untreated	84		20		42	
Total	100		20.8		4.8	
1925						
Treated	24		27		9	
Untreated	76		20		38	
Total	100		21.3		4.7	
1926						
Treated	27		27		1.0	
Untreated	73		20		3.7	
Total	100		21.3		4.7	
1927						
Treated	32		27		1.2	
Untreated	68		20		3.4	
Total	100		21.7		4.6	

4304

Illinois Bell Telephone Company
Chicago Area
Station Equipment
Calculation of Average Salvage Percentages

Form 3320

Year and Item	Survivor Life	Average Life	Gross Salvage	Cost of Removal Per Cent Gross Salvage		Junk Sales	Average Salvage
				Equip Life	Misc.		
1923							
Station apparatus	7	21	88%	9%	3%	3%	60%
Non-multi P.B.X	6	18	75	9	16	5	55
1924							
same as 1923							
1925							
Substations	6	19	90	7	3	5	65
Telephonometers	3	9	92	7	1	5	65
1926							
Substations	5	20	91	6	3	5	70
Telephonometers	3	9	93	6	1	5	65
1927							
Substations	6	20	93	5	3	5	70
Telephonometers	3	9	94	5	1	5	65

4305

[fol. 4306] EXHIBIT D-139

Illinois Bell Telephone Company, Chicago Area

Data Requested by Mr. Goldstein

Investment in Manual and Dial C. O. Telephone Equipment

	Manual	Dial
December 31, 1923	$22,401,987*	$3,064,290
December 31, 1931	39,187,914*	20,888,253

Gross Additions and Displacements—Kedzie Central Office Equipment

	Actual		Estimated	
	Gross Additions	Displ.	Gross Additions	Displ.
1930	$122,411	$16,884	$36,000	$700
1931	14,527	8,516	51,100	6,200

* Including Toll Equipment.

(Here follows side folio 4307)

EXHIBIT D-140

ILLINOIS BELL TELEPHONE COMPANY
AVERAGE REALIZED LIFE STUDY

OF [illegible]

NAME OF CENTRAL OFFICE: [illegible]

NAME OF EXCHANGE: [illegible]

TYPE OF EQUIPMENT: [illegible]

CALENDAR YEAR	GROSS ADDITIONS	RETIREMENTS	AMOUNT IN SERVICE DEC. 31 OF EACH YEAR	AVERAGE AMOUNT IN SERVICE EACH YEAR	CUMULATIVE DOLLAR YEARS DEC. 31 OF EACH YEAR	CUMULATIVE GROSS ADDITIONS DEC 31 OF EACH YEAR	AVERAGE REALIZED LIFE DEC. 31 OF EACH YR
1926	378 471	93	377 984	188 992	188 992	378 471	50
1927	212 677	391	590 260	484 122	673 114	590 744	1.14
1928	21 828	1269	610 819	600 539	1 273 654	612 572	2.08
1929	12 540	3211	620 448	615 633	1 889 287	625 112	3.02
1930	59 735	10 345	669 838	645 143	2 534 430	684 847	3.70
1931	23 378	3 245	689 971	679 904	3 214 334	708 525	4.54
1932	460	100	690 271	690 121	3 904 455	708 925	5.51
1933	12 674	4366	698 579	694 425	4 598 880	721 699	6.37
1934	247 382	8762	937 249	817 914	5 416 794	968 981	5.59
1935	93 100	200	1 030 149	983 699	6 400 493	1 062 081	6.03
1936	158 500	200	1 188 449	1 109 299	7 509 792	1 220 581	6.15
1937	190 000	300	1 378 149	1 283 299	8 793 091	1 410 581	6.23
1938	134 000	400	1 511 749	1 444 949	10 238 040	1 544 581	6.63
1939	61 700	200	1 573 249	1 542 499	11 780 539	1 606 281	7.33
1940	50 200	200	1 623 249	1 598 249	13 378 788	1 656 481	8.08
1941	54 000	100	1 677 549	1 650 399	15 029 187	1 710 881	8.78
1942	53 200	500	1 730 249	1 703 899	16 733 086	1 764 081	9.49
1943	25 200	300	1 755 149	1 742 699	18 475 785	1 789 281	10.33
1944		1 755 149	0	877 574	19 353 360	1 789 281	10.82

4307

[fols. 4308 & 4309]

EXHIBIT X-1

Illinois Bell Telephone Company, Chicago Exchange

Table to Illustrate that Results Obtained in City's Exhibit No. 95 are not Affected by Choice of Base Year having Different Proportions of Material and Labor

Account 241—Exchange Pole Lines

Date	Material Index (1)	Each Year's Gross Additions % Material (2)	Each Year's Gross Additions % Labor (3)	% Labor of Material (4)	Extension (5)	Labor Index as Computed from Sloan's Material Ratio (6)	Labor Index as Computed from Sloan's Labor Ratio (7)	% 6-30-23 of Given Year as Computed from Sloan's Labor Ratio (8)	% 6-30-23 of Given Year as Computed from Sloan's Material Ratio (9)	% 6-30-23 of Given Year as Computed from City's Exhibit No. 95 Table No. 1 (10)
1911	39.70	47.4	52.6	111.0	44.07	17.66	58.80	170.06	566.25	566.34
1912	43.14	47.4	52.6	111.0	47.89	19.19	58.73	170.27	521.10	521.20
1913	53.93	58.0	42.0	72.4	39.05	15.65	59.04	169.39	638.98	639.35
1914	54.71	55.1	44.9	81.5	44.59	17.86	60.60	165.01	559.91	559.74
1915	59.20	52.3	47.7	91.2	53.99	21.63	67.93	147.21	462.32	462.28
1916	52.92	54.1	45.9	84.8	44.88	17.98	69.83	143.20	556.17	556.16
1917	58.47	54.2	45.8	84.5	49.41	19.80	71.29	140.27	505.05	505.16
1918	73.51	35.6	64.4	180.9	132.98	53.28	83.98	119.08	187.69	187.70
1919	78.06	40.5	59.5	146.9	114.67	45.94	96.28	103.86	217.68	217.67
1920	88.56	36.9	63.1	171.0	151.44	60.67	108.23	92.40	164.83	164.83
1921	101.79	31.4	68.6	218.5	222.41	89.11	108.61	92.07	112.22	112.27
1922	88.68	26.6	73.4	275.9	244.67	98.02	101.81	98.22	102.02	102.02
1923	93.61	28.6	71.4	249.6	233.65	93.61	99.99	100.01	106.83	106.83
6-30-23	100.00	28.6	71.4	249.6	249.60	100.00	100.00	100.00	100.00	100.00

Notes:

(1) Computed from Plaintiff's Exhibit No. 1, pages 120-121.

(2) and (3) Taken from Plaintiff's Exhibit No. 1, pages 114-115.

(4)=(3)÷(2)

(5)=(1)×(4)

(6)=(5) Converted to index on 6-30-23 base.

(7) and (8) Computed from Plaintiff's Exhibit No. 1, pages 131, 132.

(9)=Reciprocal of Col. (6).

(10)=Computed from Table No. 1 of City's Exhibit No. 95, Col. (7).

[fol. 4310] X-1

Illinois Bell Telephone Company, Chicago Exchange

Table to Illustrate That Results Computed in J. G. Wray Affidavit are not Affected by Choice of Base Year Having Different Proportions of Material and Labor

(Computed From Sloan Exhibit No. 86 in Commission Case No. 11894)

Account 244—Exchange Underground Conduit

Year (1)	Material Index (2)	% Labor of Material (3)	Extension (4)	Labor Inedx (5)	Ratio 1919 Labor to Preceding Years: Co. Experience (6)	Sloan (7)
			Computed on 7-31-19 Base			
1911	51.7	266.3	137.7	48.1	207.9	253.8
1912	56.5	266.3	150.4	52.6	190.1	253.8
1913	55.2	240.1	132.5	46.3	215.9	253.8
1914	53.9	274.5	148.0	51.7	193.4	251.2
1915	48.5	287.6	139.5	48.8	204.9	250.6
1916	61.7	278.8	172.0	60.1	166.3	214.7
1917	72.3	254.7	184.1	64.3	155.5	186.3
1918	85.5	269.0	230.0	80.4	124.3	136.0
7-31-19	100.0	286.1	286.1	100.0	100.0	100.0
			Computed on 1913 Base			
1911	93.66	266.3	249.42	103.88	207.8	253.8
1912	102.36	266.3	272.58	113.53	190.1	253.8
1913	100.00	240.1	240.10	100.00	215.9	253.8
1914	97.64	274.5	268.02	111.63	193.4	251.2
1915	87.86	287.6	252.69	105.24	205.1	250.6
1916	111.78	278.8	311.64	129.80	166.3	214.7
1917	130.98	254.7	333.61	138.95	155.4	186.3
1918	154.89	269.0	416.65	173.53	124.4	136.0
7-31-19	181.16	286.1	518.30	215.87	100.0	100.0

Notes:
(2) and (3) Computed from Sloan Exhibit No. 86 in I. C. C. Case No. 11894.
(4)=(2)×(3).
(5)=(4) converted to index on bases shown.
(6)=Reciprocal of (5).
(7) Taken from Sloan Exhibit No. 86 in I. C. C. Case No. 11894.

(Here follow Exhibits X-2 and X-3, side folios 4311 and 4312).

[fol. 4311]

EXHIBIT X-2

Illinois Bell Telephone Company, Chicago Exchange

Measurement of Error in Percentages of Increase in Plant Costs Used in Plaintiff's Exhibit No. 1 on Assumption that Increases in Material and Labor Costs are Correct

Account 241—Exchange Pole Lines

	Aug. 1 to Dec. 31, 1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	Jan. 1 to June 30, 1923	June 30, 1923
Composite Percentages Showing Increase in Cost of Material and Labor June 30, 1923, Over Previous Periods (Plaintiff's Exhibit No. 1, page 114–115)														
(A) Percent Increase—Material	151.86	131.79	85.44	82.77	68.91	88.96	71.02	36.04	28.11	12.92	1.76*	12.77	6.83	
" " —Labor	70.06	70.27	69.39	65.01	47.21	43.20	40.27	19.08	3.86	7.60*	7.93*	1.78*	.01	
" of Total Cost—Material	47.4	47.4	58.0	55.1	52.3	54.1	54.2	35.06	40.5	36.9	31.4	26.6	28.6	
" " " " —Labor	52.6	52.6	42.0	44.9	47.7	45.9	45.8	64.4	59.5	63.1	68.6	73.4	71.4	
Composite Percent—Material	71.98	62.47	49.56	45.61	36.04	48.13	38.49	12.83	11.38	4.77	.55*	3.40	1.95	
" " —Labor	36.85	36.96	29.14	29.19	22.52	19.83	18.44	12.29	2.30	4.80*	5.44*	1.31*	.01	
Total	108.83	99.43	78.70	74.80	58.56	67.96	56.93	25.12	13.68	.03*	5.99*	2.09	1.96	
Cost of Typical Plant on June 30, 1923														
(B) Material Cost of Typical Plant Jan. 1 to June 30, 1923 (Plaintiff's Exhibit No. 1, page 121)													1,497.21	
1923 Ratio of Labor to Material (71.4÷28.6, Plaintiff's Exhibit No. 1, page 115)													249.65	
Labor Cost of Typical Plant Jan. 1 to June 30, 1923													3,737.78	
Total " " " " " " " " " "													5,234.99	
Recomputation of Percent of Total Cost—Material and Percent of Total Cost—Labor, Based on Percentages of Increase														
(C) Material Cost of Typical Plant	$635.08	$690.06	$862.52	$875.13	$946.96	$846.49	$935.25	$1,175.73	$1,248.55	$1,416.52	$1,628.21	$1,418.43	$1,497.21	$1,599.50
Labor " " " "	2,198.14	2,195.42	2,206.83	2,265.41	2,539.33	2,610.44	2,664.97	3,139.19	3,599.22	4,045.62	4,060.12	3,805.89	3,737.78	3,738.15
Total " " " "	2,833.22	2,885.48	3,069.35	3,140.54	3,486.29	3,456.93	3,600.22	4,314.92	4,847.77	5,462.14	5,688.33	5,224.32	5,234.99	
Percent of Total Cost—Material	22.4	23.9	28.1	27.9	27.2	24.5	26.0	27.2	25.8	25.9	28.6	27.2	28.6	
" " " " —Labor	77.6	76.1	71.9	72.1	72.8	75.5	74.0	72.8	74.2	74.1	71.4	72.8	71.4	
(D) Percent Increase—Material	151.86	131.79	85.44	82.77	68.91	88.96	71.02	36.04	28.11	12.92	1.76*	12.77	6.83	
" " —Labor	70.06	70.27	69.39	65.01	47.21	43.20	40.27	19.08	3.86	7.60*	7.93*	1.78*	.01	
" of Total Cost—Material	22.4	23.9	28.1	27.9	27.2	24.5	26.0	27.2	25.8	25.9	28.6	27.2	28.6	
" " " " —Labor	77.6	76.1	71.9	72.1	72.8	75.5	74.0	72.8	74.2	74.1	71.4	72.8	71.4	
Composite Percent—Material	34.02	31.50	24.01	23.09	18.74	21.80	18.47	9.80	7.25	3.35	.59*	3.47	1.95	
" " —Labor	54.37	53.48	49.89	46.87	34.37	32.62	29.80	13.89	2.86	5.63*	5.66*	1.30*	.01	
Total	88.39	84.98	73.90	69.96	53.11	54.42	48.27	23.69	10.11	2.28*	6.16*	2.17	1.96	
Percentage of Error in (A)	23.12	17.00	6.50	6.92	10.26	24.88	17.94	6.04	35.31	2.30	.18	3.69*	.....	

*=Red.

[fol. 4312]

EXHIBIT X-3

Productivity of Labor Studies Made by U. S. Department of Labor and Published in Monthly Labor Review

	1899	1904	1909	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929
Issue of January 1927—Page 37																			
1919 = 100																			
Iron and Steel																			
Industry as a whole	60	69	100	100	120	124	109	103	100	115	94	136	139	137	159	...	...	...	...
Blast Furnaces	46	61	83	104	...	...	...	...	100	...	115	...	160	...	...	...	...	...	...
Steel Works and Rolling Mills	62	70	103	99	...	...	...	...	100	...	91	...	136	...	157	...	...	...	...
Boots and Shoes	95	103	95	95	...	...	...	...	100	...	110	110	102	102	101	...	...	...	...
Leather Tanning	92	91	91	99	...	...	...	...	100	98	125	129	133	130	125	...	...	...	...
Slaughtering and Meat Packing	...	...	124	108	...	...	...	...	100	...	128	134	138	139	137	...	...	...	...
Petroleum Refining	67	62	127	109	...	...	...	...	100	...	121	137	147	177	199	...	...	...	...
Paper and Pulp	...	79	91	96	...	...	...	...	100	98	90	113	112	123	129	...	...	...	...
Cement Manufacturing	...	...	...	97	...	...	...	...	100	...	120	...	128	139	156	...	...	...	...
Automobiles	...	29	26	74	...	88	98	66	100	110	142	183	199	193	200	...	...	...	...
Rubber Tires	...	...	...	77	...	...	...	...	100	...	146	...	205	232	239	...	...	...	...
Flour Milling	...	98	97	104	...	...	...	...	100	...	123	...	133	...	146	...	...	...	...
Cane Sugar Refining	...	...	...	127	...	...	...	...	100	...	104	...	129	144	162	...	...	...	...
Issue of June 1927—Pages 53 and 54																			
1919 = 100																			
All Industries	95	98	104	102	...	...	...	...	100	...	103	...	127	...	141	...	...	...	...
Food and kindred Products	108	121	119	114	...	...	...	...	100	...	123	...	134	...	143	...	...	...	...
Textiles	95	100	108	108	...	...	...	...	100	...	102	...	111	...	114	...	...	...	...
Iron and Steel	111	112	129	104	...	...	...	...	100	...	86	...	129	...	138	...	...	...	...
Lumber	122	125	121	111	...	...	...	...	100	...	108	...	111	...	121	...	...	...	...
Leather	107	116	104	102	...	...	...	...	100	...	104	...	106	...	103	...	...	...	...
Paper and Printing	86	93	107	114	...	...	...	...	100	...	101	...	129	...	140	...	...	...	...
Chemicals	71	87	97	101	...	...	...	...	100	...	122	...	131	...	153	...	...	...	...
Stone, Clay and Glass Products	98	97	109	103	...	...	...	...	100	...	111	...	135	...	156	...	...	...	...
Metals and Products (Except Iron and Steel)	73	86	99	98	...	...	...	...	100	...	124	...	138	...	163	...	...	...	...
Tobacco Manufacture	54	56	61	66	...	...	...	...	100	...	102	...	120	...	156	...	...	...	...
Vehicles for Land Transportation	20	31	42	66	...	...	...	...	100	...	118	...	174	...	220	...	...	...	...
Ship and Boat Building	76	76	66	62	...	...	...	...	100	...	110	...	12	...	52	...	...	...	...
Rubber	...	...	83	78	...	...	...	...	100	...	128	...	163	...	199	...	...	...	...
Issue of January 1932—Page 20																			
1925 = 100																			
Bar Shearing	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100	103	112	114	116
Hot Rolling	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100	106	106	108	149
Cold Rolling	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100	104	121	135	128
Sheet Annealing	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100	99	94	94	95
Sheet Pickling	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100	97	94	122	122

[fol. 4313] Productivity of Labor

Study Made by U. S. Department of Labor and Published in Monthly Labor Review, Issue of February, 1932—Page 292

Coal Mining

Year	Anthracite: Output per Man per Day (ton)	Anthracite: Index on 1919 Base	Bituminous: Output per Man per Day (ton)	Bituminous: Index on 1919 Base
1911	2.75	98	4.01	86
1912	2.69	96	4.24	91
1913	2.67	95	4.16	90
1914	2.67	95	4.28	92
1915	2.78	99	4.49	97
1916	2.74	98	4.57	98
1917	2.89	103	4.51	97
1918	2.94	105	4.62	100
1919	2.81	100	4.64	100
1920	2.93	104	4.80	103
1921	2.70	96	4.86	105
1922	2.87	102	4.98	107
1923	2.70	96	5.15	111
1924	2.53	90	5.17	111
1925	2.60	93	5.09	110
1926	2.53	90	5.07	109
1927	2.58	92	5.11	110
1928	2.60	93	5.26	113
1929	2.64	94	5.42	117
1930	2.63	94	5.61	121

[fol. 4314] Exhibit X-4

Illinois Bell Telephone Company, Chicago Exchange

Table to Illustrate that Reduction in Labor Cost from Any Cause is not Fully Reflected in Plaintiff's Exhibit No. 1

Account 241—Exchange Pole Lines, 1922-3

	W. F. Sloan: 1922	W. F. Sloan: 1923	J. G. Wray & Co.: 1922	J. G. Wray & Co.: 1923
(1) Material Cost of Typical Plant	$1,418.43	$1,497.21	$1,418.43	$1,497.21
(2) Labor Cost of Typical Gang	1,113.67	1,093.70	.....	.....
(3) Material Index	100.00	105.55	.....	.....
(4) Labor Index	100.00	98.21	.....	.....
(5) Percent of Total Cost—Material	26.6	28.6	26.6	28.6
(6) Percent of Total Cost—Labor	73.4	71.4	73.4	71.4
(7) Percent Labor of Material Cost	.....	.....	275.93	249.65

Notes:
Lines (1), (2), (5) and (6) taken from Plaintiff's Exhibit No. 1.
Line (3) computed from Line (1).
Line (4) computed from Line (2).
Line (7) = Line (6) ÷ Line (5).

	W. F. Sloan		J. G. Wray & Co.	
	1922	1923	1922	1923
(8) Labor Cost of Typical Plant	.....	.....	3,913.87	3,737.78
(9) Total Cost of Typical Plant	.....	.....	5,332.30	5,234.99
(10) Composite Percent—Material	26.6	30.19	.....	.....
(11) Composite Percent—Labor	73.4	70.12	.....	.....
Total Cost Index	100.00	100.31	100.00	98.18

Line (8) = Line (7) x Line (1).
Line (9) = Line (1) + Line (8).
Line (10) = Line (3) x Line (5).
Line (11) = Line (4) x Line (6).

[fol. 4315] EXHIBIT X–5

Illinois Bell Telephone Company, Chicago Exchange

Comparison of Gang Make-ups as of June 30, 1923, Used in Plaintiff's Exhibits Nos. 1 and A–2

Exchange, Outside Plant

Acct. No.	Description	Number in Plaintiff's Exhibit No. 1	Number in Plaintiff's Exhibit No. A-2	Percent of Total in Plaintiff's Exhibit No. 1	Percent of Total in Exhibit No. A-2
241	Exchange Pole Lines Line Gang				
	Line Foreman	1	1	16.66	16.66
	Linemen	3	3	50.00	50.00
	Groundmen	1	1	16.67	16.67
	Driver	1	1	16.67	16.67
	Total	6	6	100.00	100.00
242	Exchange Aerial Cable Placing Gang				
	Line Foreman	1	1	9.80	6.35
	Linemen	3	3	29.42	19.05
	Groundmen	1	1	9.80	6.35
	Driver	1	1	9.80	6.35
	Splicing Gang				
	Splicing Foreman	.2	.75	1.96	4.76
	Splicers and Helpers	4.0	9.00	39.22	57.14
	Total	10.2	15.75	100.00	100.00
243	Exchange Aerial Wire Line Gang				
	Line Foreman	1	.....	12.50	.....
	Linemen	3	.....	37.50	.....
	Groundman	1	.....	12.50	.....
	Driver	1	.....	12.50	.....
	Line Installers	2	1	25.00	100.00
	Total	8	1	100.00	100.00
244	Exchange U. G. Conduit				
	Foreman	1	1	3.03	1.79
	Sub-Foremen	.....	3	.....	5.35
	Bricklayer	1	1	3.03	1.79
	Timekeeper	1	1	3.03	1.79
	Laborers	30	50	90.91	89.28
	Total	33	56	100.00	100.00

Acct. No.	Description	Number in Plaintiff's Exhibit No. 1	Number in Plaintiff's Exhibit No. A-2	Percent of Total in Plaintiff's Exhibit No. 1	Per cent of Total in Exhibit No. A-2
245	Exchange U. G. Cable Placing Gang				
	Placing Foreman	1	1	3.01	2.53
	Linemen	4	.....	12.05	.....
	Groundmen	2	.....	6.02	.....
	Driver	1	.....	3.01	.....
	Cablemen	....	7	.....	17.72
	Splicing Gang				
	Splicing Foreman	1.2	1.5	3.62	3.80
	Splicers and Helpers	24.0	30.0	72.29	75.95
	Total	33.2	39.5	100.00	100.00

[fol. 4316]

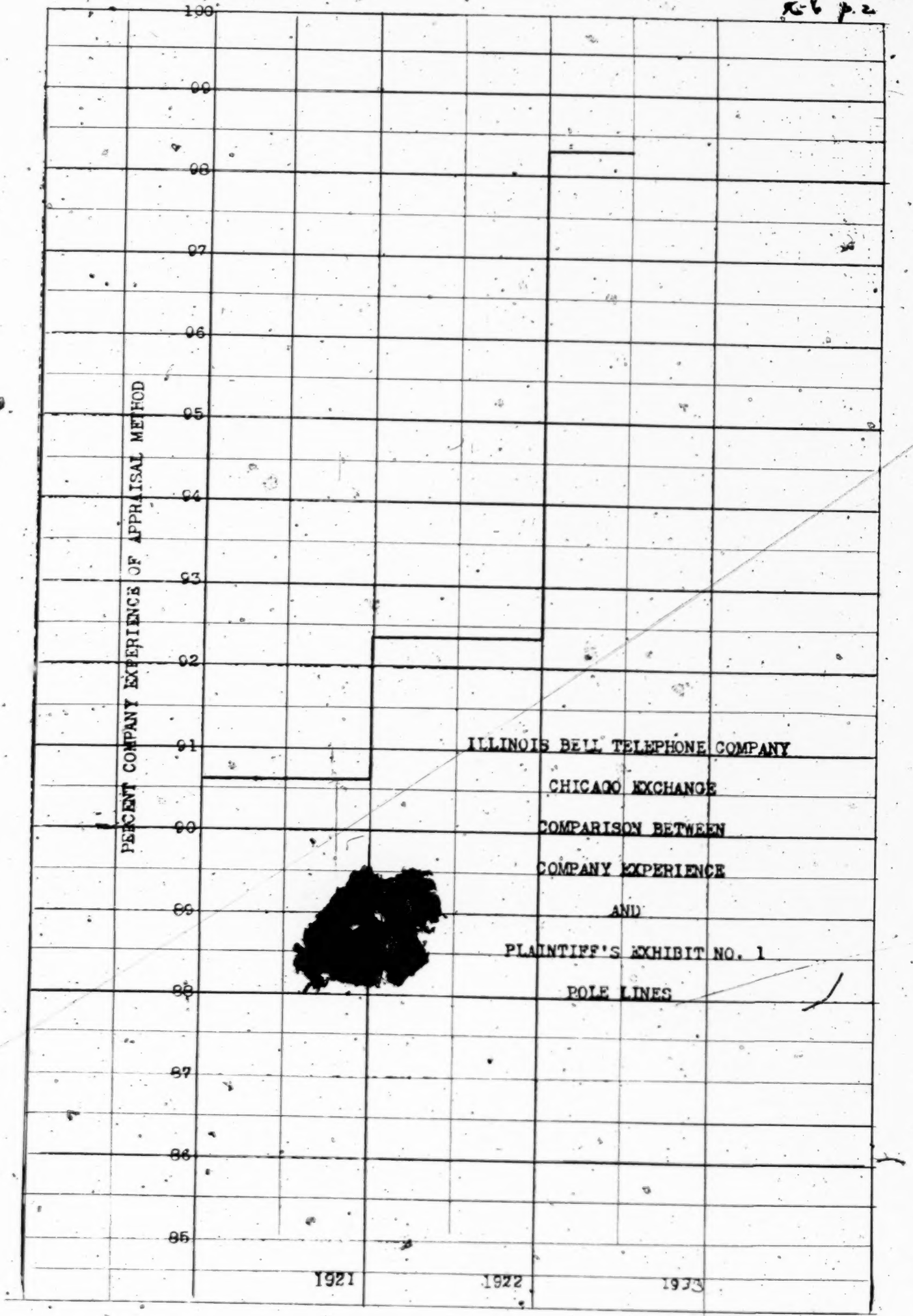
EXHIBIT X-6

Illinois Bell Telephone Company, Chicago Exchange

Comparison Between Company Experience and Plaintiff's Exhibit No. 1, 1921–1923

	Total Gross Additions June 30, 1923 Level		
	Appraisal Method	Company Experience	% of Appraisal Method
	Year 1921		
Account 241—Exchange Pole Lines	$81,843.23	$74,173.42	90.63
Account 242—Exchange Aerial Cable	101,883.21	90,096.65	88.43
Account 245—Exchange Underground Cable	700,337.81	664,748.95	94.92
Total	$884,064.25	$829,019.02	93.77
	Year 1922		
Account 241—Exchange Pole Lines	$220,997.29	$204,155.00	92.38
Account 242—Exchange Aerial Cable	284,925.40	269,692.32	94.65
Account 245—Exchange Underground Cable	1,594,642.02	1,527,951.18	95.82
Total	$2,100,564.71	$2,001,799.19	95.30
	Jan.-June 1923		
Account 241—Exchange Pole Lines	$121,142.75	$119,087.27	98.30
Account 242—Exchange Aerial Cable	194,054.35	187,716.56	96.73
Account 245—Exchange Underground Cable	1,007,138.91	1,009,207.96	100.21
Total	$1,322,336.01	$1,316,011.79	99.52

(Here follows Plaintiff's Exhibit No. 6, side folios 4317, 4318, 4319, 4320.)



ILLINOIS BELL TELEPHONE COMPANY

CHICAGO EXCHANGE

COMPARISON BETWEEN

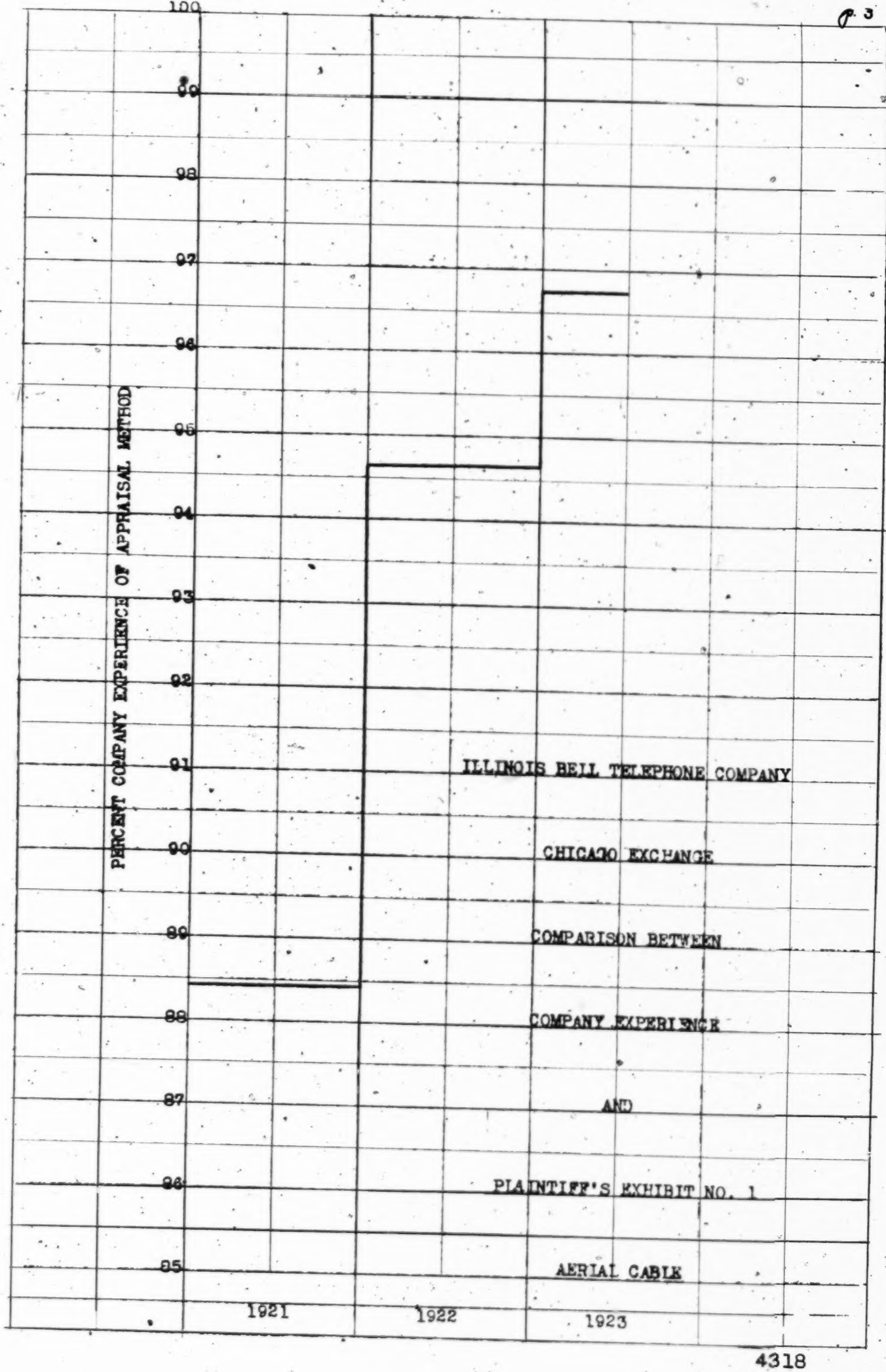
COMPANY EXPERIENCE

AND

PLAINTIFF'S EXHIBIT NO. 1

POLE LINES

A2933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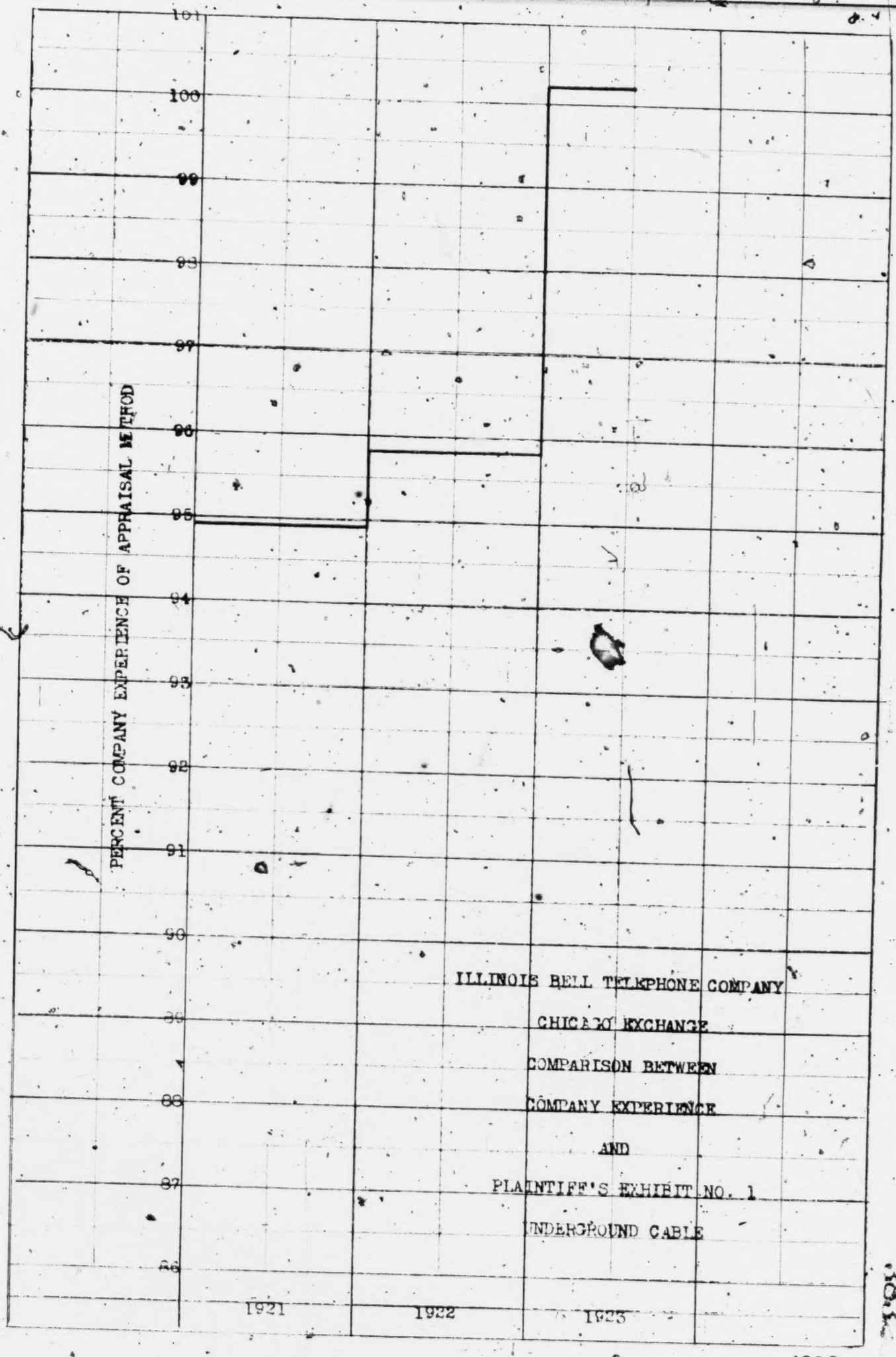
PERCENT COMPANY EXPERIENCE OF APPRAISAL METHOD
1921
1922
1923
ILLINOIS BELL TELEPHONE COMPANY
CHICAGO EXCHANGE
COMPARISON BETWEEN
COMPANY EXPERIENCE
AND
PLAINTIFF'S EXHIBIT NO. 1
AERIAL CABLE



ILLINOIS BELL TELEPHONE COMPANY

CHICAGO EXCHANGE

COMPARISON BETWEEN

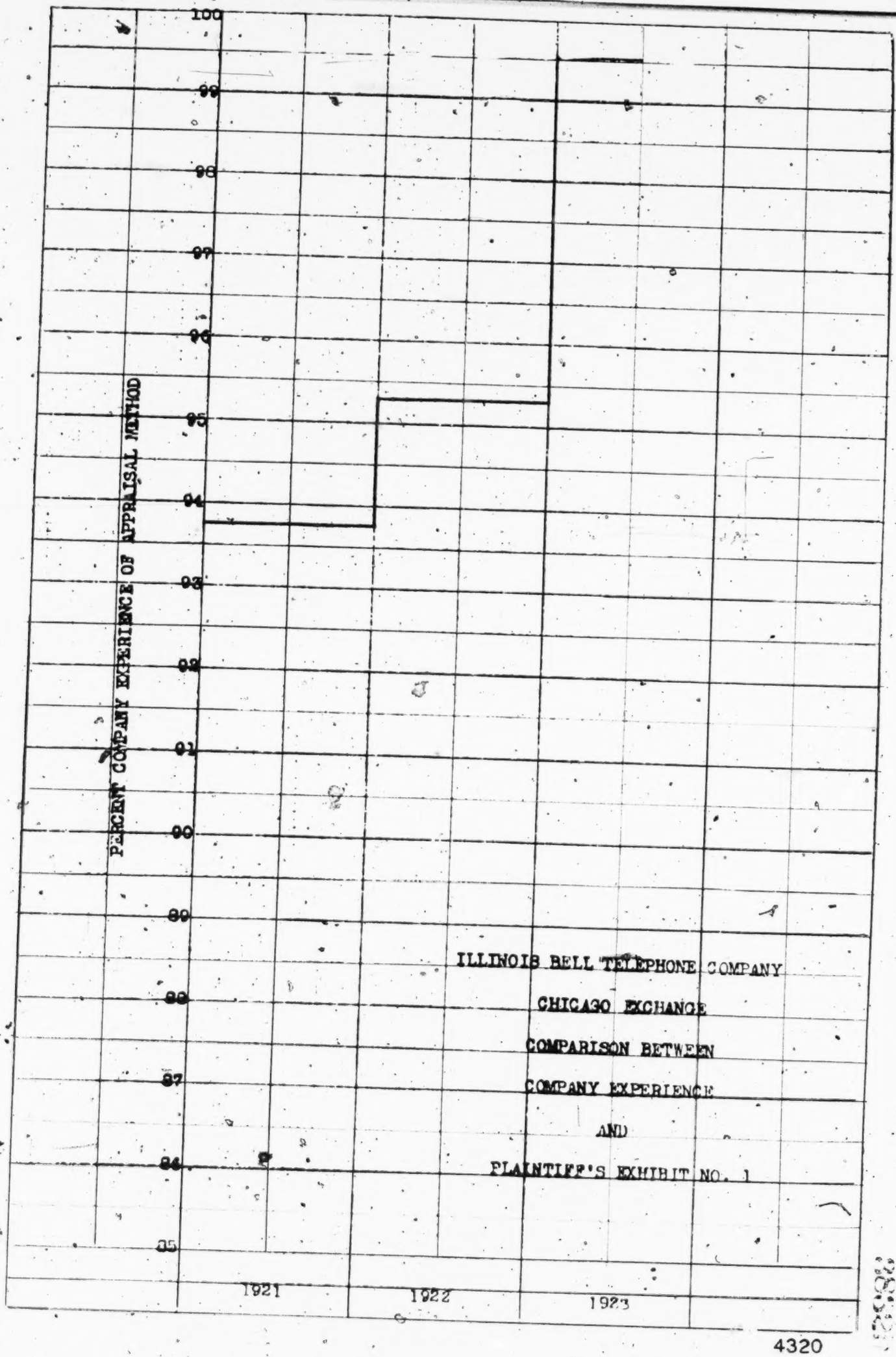
COMPANY EXPERIENCE

AND

PLAINTIFF'S EXHIBIT NO. 1

UNDERGROUND CABLE

4319



ILLINOIS BELL TELEPHONE COMPANY

CHICAGO EXCHANGE

COMPARISON BETWEEN

COMPANY EXPERIENCE

AND

PLAINTIFF'S EXHIBIT NO. 1

[fol. 4321] Illinois Bell Telephone Company, Chicago Exchange

Difference Between Gross Additions at Cost Level of June 30, 1923, as Developed from Company's Experience and from Plaintiff's Exhibit No. 1

Account 241—Exchange Pole Lines

	Year 1921	Year 1922	Jan.-June 1923	Total
Gross Additions (Ptf. Exh. No. 1)	$87,058.00	$216,473.00	$118,814.00	$422,345.00
Percent Increase June 30, 1923 over previous periods:				
Company Experience	(14.80)	(5.69)	.23	(5.90)
Plaintiff's Exh. No. 1	(5.99)	2.09	1.96	.39
Amount of Increase:				
Company Experience	$(12,884.58)	$(12,317.31)	$273.27	$(24,928.62)
Plaintiff's Exh. No. 1	(5,214.77)	4,524.29	2,328.75	1,638.27
Difference	$7,669.81	$16,841.60	$2,055.48	$26,566.89
Difference as % of Actual Increase (or decrease)	59.53	136.73	752.19	106.57
Gross Additions at Level of June 30, 1923:				
Company Experience	$74,173.42	$204,155.69	$119,087.27	$397,416.38
Plaintiff's Exh. No. 1	81,843.23	220,997.29	121,142.75	423,983.27
Difference	$7,669.81	$16,841.60	$2,055.48	$26,566.89
Difference as % of Company Experience	10.34	8.25	1.73	6.68

( )=decrease

[fol. 4322] Illinois Bell Telephone Company, Chicago Exchange

Composite Percentages Showing Increase in Costs of Labor and Material, June 30, 1922, Over Previous Periods

Account 241—Exchange Pole Lines

	Year 1921	Year 1922	Jan.-June, 1923
Per cent increase—Material	(6.91)	5.24	.77
" " —Labor	(18.41)	(9.65)	.01
" of total cost—Material*	31.4	26.6	28.6
" " " " —Labor*	68.6	73.4	71.4
Composite per cent—Material	(2.17)	1.39	.22
" " —Labor	(12.63)	(7.08)	.01
Total	(14.80)	(5.69)	.23

*Taken from Plaintiff's Exhibit No. 1.
( )=decrease.

[fol. 4323] Illinois Bell Telephone Company, Chicago Exchange

Difference Between Material Costs as Developed from Company's Experience and from Plaintiff's Exhibit No. 1

Account 241—Exchange Pole Lines

	Year 1921	Year 1922	Jan.-June 1923
Actual Material Cost (Constr. Records)	$26,547.72	$57,245.49	$34,625.41
Percent Increase June 30, 1923 over previous periods:			
Company Experience	(6.91)	5.24	.77
Plaintiff's Exh. No. 1	(1.76)	12.77	6.83
Amount of Increase:			
Company Experience	$(1,834.45)	$2,999.66	$266.62
Plaintiff's Exh. No. 1	(467.24)	7,310.25	2,364.92
Difference	$1,367.21	$4,310.59	$2,098.30
Difference as % of Actual Increase (or Decrease)	74.53	143.70	787.00
Material Cost at Level of June 30, 1923:			
Company Experience	$24,713.27	$60,245.15	$34,892.03
Plaintiff's Exh. No. 1	26,080.48	64,555.74	36,990.33
Difference	$1,367.21	$4,310.59	$2,098.30
Difference as % of Company Experience	5.53	7.16	6.01

( )=decrease.

[fol. 4324] Illinois Bell Telephone Company, Chicago Exchange

Difference Between Labor Costs as Developed from Company's Experience and from Plaintiff's Exhibit No. 1

Account 241—Exchange Pole Lines

	Year 1921	Year 1922	Jan.-June 1923
Actual Labor Cost*	$16,997.17	$53,591.26*	$25,243.22
Percent Increase June 30, 1923 over previous periods:			
Company Experience	(18.41)	(9.65)	.01**
Plaintiff's Exh. No. 1	(7.93)	(1.78)	.01
Amount of Increase:			
Company Experience	$(3,129.18)	$(5,171.56)	$2.52
Plaintiff's Exh. No. 1	(1,347.88)	(953.92)	2.52
Difference	$1,781.30	$4,317.64	$....
Difference as % of Actual Increase (or Decrease)	56.93	81.55	.....
Labor Cost at Level of June 30, 1923:			
Company Experience	$13,867.99	$48,419.70	$25,240.70
Plaintiff's Exh. No. 1	15,649.29	52,637.34	25,240.70
Difference	$1,781.30	$4,217.64	$.....
Difference as % of Company Experience	12.84	8.71	.....

* Direct labor cost from Company's construction records, plus plant supervision and tool expense computed at same percentages as in Plaintiff's Exhibit No. 1.

** Plaintiff's Exhibit No. 1.

( )=decrease.

[fol. 4325]

Illinois Bell Telephone Company, Chicago Exchange

Difference Between Gross Additions at Cost Level of June 30, 1923 as Developed from Company's Experience and From Plaintiff's Exhibit No. 1

Account 242—Exchange Aerial Cable

	Year 1921	Year 1922	Jan.-June, 1923	Total
Gross Additions (Ptf. Exh. No. 1)	$112,790.00	$277,976.00	$190,324.00	$581,090.00
Percent Increase June 30, 1923 over previous periods:				
Company Experience	(20.12)	(2.98)	(1.37)	(5.78)
Plaintiff's Exh. No. 1	(9.67)	2.50	1.96	(.04)
Amount of Increase:				
Company Experience	$(22,693.35)	$(8,283.68)	$(2,607.44)	$(33,584.47)
Plaintiff's Exh. No. 1	(10,906.79)	6,949.40	3,730.35	(227.04)
Difference	$11,786.56	$15,233.08	$6,337.79	$33,357.43
Difference as % of Actual Increase (or decrease)	51.94	183.89	243.07	99.32
Gross Additions at Level of June 30, 1923:				
Company Experience	$90,096.65	$269,692.32	$187,716.56	$547,505.53
Plaintiff's Exh. No. 1	101,883.21	284,925.40	194,054.35	580,862.96
Difference	$11,786.56	$15,233.08	$6,337.79	$33,357.43
Difference as % of Company Experience	13.08	5.65	3.38	6.09

( )=decrease.

[fol. 4326] Illinois Bell Telephone Company, Chicago Exchange

Composite Percentages Showing Increase in Costs of Labor and Material, June 30, 1923 over Previous Periods

Account 242—Exchange Aerial Cable

	Year 1921	Year 1922	Jan.-June 1923
Percent increase—Material	(18.21)	(2.49)	(2.39)
" " —Labor	(21.93)	(3.53)	.02
" of total cost—Material*	48.8	53.0	57.8
" " " " —Labor*	51.2	47.0	42.2
Composite percent—Material	(8.89)	(1.32)	(1.38)
" " —Labor	(11.23)	(1.66)	.01
Total	(20.12)	(2.98)	(1.37)

* Taken from Plaintiff's Exhibit No. 1.
( ).=decrease.

[fol. 4327] Illinois Bell Telephone Company, Chicago Exchange

Difference Between Material Costs as Developed from Company's Experience and from Plaintiff's Exhibit No. 1

Account 242—Exchange Aerial Cable

	Year 1921	Year 1922	Jan-June 1923
Actual Material Cost (Constr. Records)	$54,714.23	$136,563.58	$100,521.22
Percent Increase June 30, 1923 over previous periods:			
Company Experience	(18.21)	(2.49)	(2.39)
Plaintiff's Exh. No. 1	(10.97)	5.48	3.37
Amount of Increase:			
Company Experience	$(9,963.46)	$(3,400.43)	$(2,402.46)
Plaintiff's Exh. No. 1	(6,002.15)	7,483.68	3,387.57
Difference	$3,961.31	$10,884.11	$5,790.03
Difference as % of Actual Increase (or decrease)	39.76	320.08	241.00
Material Cost at Level of June 30, 1923:			
Company Experience	$44,750.77	$133,163.15	$98,118.76
Plaintiff's Exh. No. 1	48,712.08	144,047.26	103,908.79
Difference	$3,961.31	$10,884.11	$5,790.03
Difference as % of Company Experience	8.85	8.17	5.90

( )=Decrease.

[fol. 4328] Illinois Bell Telephone Company, Chicago Exchange

Difference Between Labor Costs as Developed from Company's Experience and from Plaintiff's Exhibit No. 1

Account 242—Exchange Aerial Cable

	Year 1921	Year 1922	Jan.-June 1923
Actual Labor Cost*	$43,732.89	$96,449.97	$68,211.69
Percent Increase June 30, 1923 over previous periods:			
Company Experience	(21.93)	(3.53)	.02**
Plaintiff's Exh. No. 1	(8.43)	(.86)	.02
Amount of Increase:			
Company Experience	$(9,590.62)	$(3,404.68)	$ 13.64
Plaintiff's Exh. No. 1	(3,686.68)	(829.47)	13.64
Difference	$ 5,903.94	$ 2,575.21	$ .....
Difference as % of Actual Increase (or decrease)	61.56	75.64	.....
Labor Cost at Level of June 30, 1923:			
Company Experience	$34,142.27	$93,045.29	$68,225.33
Plaintiff's Exh. No. 1	40,046.21	95,620.50	68,225.33
Difference	$ 5,903.94	$ 2,575.21	$ .....
Difference as % of Company Experience	17.29	2.77	.....

* Direct labor cost from Company's construction records, plus plant supervision and tool expense computed at same percentages as in Plaintiff's Exhibit No. 1.

** Plaintiff's Exhibit No. 1.

( )=decrease.

[fol. 4329] Illinois Bell Telephone Company, Chicago Exchange

Difference Between Gross Additions at Cost Level of June 30, 1923, as Developed from Company's Experience and from Plaintiff's Exhibit No. 1

Account 245—Exchange Underground Cable

	Year 1921	Year 1922	Jan.-June 1923	Total
Gross Additions (Ptf. Exh. No. 1)	$747,665.00	$1,522,622.00	$985,266.00	$3,255,553.00
Percent Increase June 30, 1923 over previous periods:				
Company Experience	(11.09)	.35	2.43	(1.65)
Plaintiff's Exh. No. 1	(6.33)	4.73	2.22	1.43
Amount of Increase:				
Company Experience	$(82,916.05)	$5,329.18	$23,941.96	$(53,644.91)
Plaintiff's Exh. No. 1	(47,327.19)	72,020.02	21,872.91	46,565.74
Difference	$35,588.86	$66,690.84	$(2,069.05)	$100,210.65
Difference as % of Actual Increase (or decrease)	42.92	1,251.43	8.64	186.90
Gross Additions at Level of June 30, 1923:				
Company Experience	$664,748.95	$1,527,951.18	$1,009,207.96	$3,201,908.09
Plaintiff's Exh. No. 1	700,337.81	1,594,642.02	1,007,138.91	3,302,118.74
Difference	$35,588.86	$66,690.84	$(2,069.05)	$100,210.65
Difference as % of Company Experience	5.35	4.36	(.21)	3.13

( )=decrease.

[fol. 4330] Illinois Bell Telephone Company, Chicago Exchange

Composite Percentages, Showing Increase in Costs of Labor and Material June 30, 1923, over Previous Periods

Account 245—Exchange Underground Cable

	Year 1921	Year 1922	Jan.-June 1923
Per cent Increase—Material	(7.10)	3.92	3.83
" " —Labor	(16.22)	(5.33)	.07
" of Total Cost—Material*	56.3	61.4	62.6
" " " —Labor*	43.7	38.6	37.4
Composite Per cent—Material	(4.00)	2.41	2.40
" " —Labor	(7.09)	(2.06)	.03
Total	(11.09)	.35	2.43

* Taken from Plaintiff's Exhibit No. 1.
( ) = decrease.

[fol. 4331] Illinois Bell Telephone Company, Chicago Exchange

Difference Between Material Costs as Developed from Company's Experience and from Plaintiff's Exhibit No. 1.

Account 245—Exchange Underground Cable

	Year 1921	Year 1922	Jan.-June 1923
Actual Material Cost (Constr. Records)	$483,550.29	$900,689.27	$505,151.99
Percent Increase June 30, 1923 over previous periods:			
Company Experience	(7.10)	3.92	3.83
Plaintiff's Exh. No. 1	(4.36)	8.86	3.50
Amount of Increase:			
Company Experience	$(34,332.07)	$35,307.02	$19,347.32
Plaintiff's Exh. No. 1	(21,082.79)	79,801.07	17,680.32
Diberence	$13,249.28	$44,494.05	$1,667.00
Difference as % of Actual Increase (or decrease)	38.59	126.02	8.62
Material Cost at Level of June 30, 1923:			
Company Experience	$449,218.22	$935,996.29	$524,499.31
Plaintiff's Exh. No. 1	462,467.50	980,490.34	522,832.31
Difference	$13,249.28	$44,494.05	$1,667.00
Difference as % of Company Experience	2.95	4.75	.32

( )=decrease.

[fol. 4332] Illinois Bell Telephone Company, Chicago Exchange

Difference Between Labor Costs as Developed from Company's Experience and from Plaintiff's Exhibit No. 1

Account 245—Exchange Underground Cable

	Year 1921	Year 1922	Jan.-June 1923
Actual Labor Cost*	$283,470.76	$476,410.38	$339,412.75
Percent Increase June 30, 1923 over previous periods:			
Company Experience	(16.22)	(5.33)	.07**
Plaintiff's Exh. No. 1	(8.87)	(1.84)	.07
Amount of Increase:			
Company Experience	$(45,978.96)	$(25,392.67)	$ 237.59
Plaintiff's Exh. No. 1	(25,143.86)	(8,765.95)	237.59
Difference	$ 20,835.10	$ 16,626.72	$.....
Difference as % of Actual Increase (or decrease)	45.31	65.48	.....
Labor Cost at Level of June 30, 1923:			
Company Experience	$237,491.80	$451,017.71	$339,650.34
Plaintiff's Exh. No. 1	258,326.90	467,644.43	339,650.34
Difference	$ 20,835.10	$ 16,626.72	$.....
Difference as % of Company Experience	8.77	3.69	

* Direct labor cost from Company's construction records, plus plant supervision and tool expense computed at same percentages as in Plaintiff's Exhibit No. 1.
** Plaintiff's Exhibit No. 1.
( ) = decrease.

[fol. 4333]

EXHIBIT X-7

Illinois Bell Telephone Company, Chicago Exchange

Account 241—Exchange Pole Lines

Average Length of Poles Placed, 1921-2-3

Item	Specific Estimates Number of Poles Placed 1921-1922 Jan.-June 1923	Specific Estimates Total Pole Feet	Routine Estimates Number of Poles Placed 1921-1922 Jan.-June 1923	Routine Estimates Total Pole Feet
25 ft.	7	175	27	675
30 "	110	3,300	360	10,800
35 "	224	7,840	1,752	61,320
40 "	24½	980	403	16,120
45 "	.....	.....	131	5,895
50 "	.....	.....	5	250
55 "	.....	.....	7	385
60 "	.....	.....	6	360
Total	365½	12,295	2,691	95,805
Average length	33.6 ft.		35.6 ft.	

[fol. 4334] Illinois Bell Telephone Company, Chicago Exchange

Account 242—Exchange Aerial Cable

Average Size Cable Placed, 1921-2-3

Item	Specific Estimates: Cable Feet Placed 1921-1922 Jan.-June 1923	Specific Estimates: Total Pair Feet	Routine Estimates: Cable Feet Placed 1921-1922 Jan.-June 1923	Routine Estimates: Total Pair Feet
16 pr.	293	4,688	79	1,264
26 "	10,834	281,684	3,765	97,890
51 "	169,296	8,634,096	97,251	4,959,801
76 "	1,800	136,800		
101 "	48,999	4,948,899	26,325	2,658,825
152 "	376	57,152	350	53,200
202 "	9,484	1,915,768	8,612	1,739,624
303 "	9,145	2,770,935	5,732	1,736,796
404 "	2,287	923,948	1,674	676,296
Total	252,514	19,673,970	143,788	11,923,696
Average Size		77.9		82.9

[fol. 4335] EXHIBIT X-8

Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Combined Specific and Routine Estimates

Account 241—Exchange Pole Lines

Poles—	Quantity	Trial Labor Hours	Extension	Labor Hours at Level of Book Costs
25 foot, A	8	11.41	91	11.07
25 " B	9	11.41	103	11.07
25 " C	17	11.41	194	11.07
30 " AA	4	15.41	62	14.95
30 " A	59	15.41	909	14.95
30 " B	400	15.41	6,164	14.95
30 " C	7	15.41	108	14.95
35 " AA	99	20.21	2,001	19.60
35 " A	205	20.21	4,143	19.60
35 " B	1,671	20.21	33,771	19.60
35 " C	1	20.21	20	19.60
40 " AA	42	23.95	1,006	23.23
40 " A	181-1/2	23.95	4,347	23.23
40 " B	204	23.95	4,886	23.23
45 " AA	22	28.13	619	27.28
45 " A	67	28.13	1,885	27.28
45 " B	42	28.13	1,181	27.28
50 " A	1	32.48	32	31.50
50 " B	4	32.48	130	31.50
55 " A	3	37.22	112	36.10
55 " B	4	37.22	149	36.10
60 " A	1	42.47	42	41.19
60 " B	5	42.47	212	41.19
65 " A		47.14		45.72
Guard Arms	11,046	1.25	13,808	1.21
Crossarms	102	1.25	127	1.21
Patent Anchors and Guys	1,676-1/2	9.65	16,178	9.36

Total Computed 92,280
Actual Performance (Book Costs) 89,499
Correction Factor 96.99%

[fol. 4336]

Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Specific Estimates

Account 241—Exchange Pole Lines

Item	Quantity				Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Specific Estimates
	Year 1921	Year 1922	Jan.-June 1923	Total			
25′—A Poles	...	5	1	6	11.07	66	9.51
25′—B "	...	1	..	1	11.07	11	9.51
30′—AA "	1	...	..	1	14.95	15	12.84
30′—A "	...	4	2	6	14.95	90	12.84
30′—B "	54	27	22	103	14.95	1,540	12.84
35′—AA "	1	1	4	6	19.60	118	16.84
35′—A "	3	11	2	16	19.60	314	16.84
35′—B "	46	96	60	202	19.60	3,959	16.84
40′—A "	8	5	7½	20½	23.23	476	19.95
40′—B "	3	1	..	4	23.23	93	19.95
Guard Arms	158	677	59	894	1.21	1,082	1.64
Crossarms	47	...	..	47	1.21	57	1.04
Patent Anchors and Guys	42	258	21½	321½	9.36	3,009	8.04
Total Computed						10,830	
Total Actual						9,305.50	
Correction Factor						85.9%	

[fol. 4337]

Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Routine Estimates

Account 241—Exchange Pole Lines

Item	Quantity				Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Routine Estimates
	Year 1921	Year 1922	Jan.-June 1923	Total			
25'—A Poles	1	1	..	2	11.07	22	11.29
25'—B "	5	2	1	8	11.07	89	11.29
25'—C "	4	7	9	17	11.07	188	11.29
30'—AA "	...	2	1	3	14.95	45	15.24
30'—A "	17	25	11	53	14.95	792	15.24
30'—B "	58	140	99	297	14.95	4,440	15.24
30'—C "	3	3	1	7	14.95	105	15.24
35'—AA "	10	48	35	93	19.60	1.823	19.98
35'—A "	38	101	50	189	19.60	3,704	19.98
35'—B "	280	734	455	1,469	19.60	28,792	19.98
35'—C "	...	...	1	1	19.60	20	19.98
40'—AA "	7	13	22	42	23.23	976	23.69
40'—A "	25	89	47	161	23.23	3,740	23.69
40'—B "	49	91	60	200	23.23	4,646	23.69
45'—AA "	4	8	10	22	27.28	600	27.81
45'—A "	26	24	17	67	27.28	1,828	27.81
45'—B "	5	25	12	42	27.28	1,146	27,81
50'—A "	...	5	(4)	1	31.50	31	32.12
50'—B "	1	1	2	4	31.50	126	32.12
55'—A "	...	...	3	3	36.10	108	36,81
55'—B "	...	2	2	4	36.10	144	36.81
60'—A "	...	1	..	1	41.19	41	42.00
60'—B "	...	4	1	5	41.19	206	42.00
65'—A "	...	1	(1)	...	45.72	.....	46.62
Guard Arms	1,367	5,622	3,163	10,152	1.21	12,284	1.23
Crossarms	7	33	15	55	1.21	67	1.23
Patent Anchors and Guys	250	705	400	1,355	9.36	12,683	9.54

Total Computed 78,646

Total Actual 80,193.5

Correction Factor 101.9%

( ) = decrease

(Here follows side folio 4338)

[fol. 4338]

Illinois Bell Telephone Company, Chicago Exchange

Account 241—Exchange Pole Lines

Table Showing Estimate Number and Total Construction Charges in Each

Jan. 1, 1921—June 30, 1923

$0–$24.99		$25.00–$49.99		$50.00–$99.99		$100.–$199.99		$200.–$399.99		$400.–$749.99		$750.–$1.199.99		$1,200.–$2,000.		Over $2,000	
No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
20,011	$9.76	20,028	$41.45	20,194	$76.94	19,181	$184.11	20,214	275.28	20,198	$532.44	21,135	$762.44	21,136	$1,206.01	21,069	$3,001.24
20,181	5.52	20,173	38.92	22,051	84.16	21,066	134.42	20,215	208.11	21,142	531.06	21,147	1,151.59	21,139	1,287.37	21,133	3,180.84
20,193	12.78	22,044	27.82	22,072	77.56	21,120	136.56	20,223	316.56	23,074	615.59	.....	.....	22,069	1,737.87	21,129	2,289.82
22,090	20.99	22,065	27.99	22,113	77.86	21,148	140.18	20,238	211.22	.....	.....	.....	.....	22,197	1,223.56	22,015	3,500.59
.....	.....	23,063	25.04	23,105	58.87	22,009	121.39	21,121	357.02	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	23,084	41.84	.....	.....	22,018	116.83	21,127	223.97	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	22,077	106.15	21,128	282.39	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	22,120	113.34	22,032	276.19	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	22,146	124.44	22,169	298.54	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	22,180	140.75	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4	$49.05	6	$203.06	5	$375.39	10	$1,318.17	9	$2,449.28	3	$1,679.09	2	$1,914.03	4	$5,454.81	4	$11,972.49

Group	Number of Estimates	% of Total	Cumulative %	Total Construction Charges	% of Total	Cumulative %	Average Dollars in Group
$0–24.99	4	8.51	8.51	$49.05	.19	.19	$12.26
25.00–49.99	6	12.77	21.28	203.06	.79	.98	33.84
50.00–99.99	5	10.64	31.92	375.39	1.48	2.46	75.08
100.00–199.99	10	21.28	53.20	1,318.17	5.19	7.65	131.02
200.00–399.99	9	19.15	72.35	2,449.28	9.64	17.29	272.14
400.00–749.99	3	6.38	78.73	1,679.09	6.61	23.90	559.69
750.00–1,199.99	2	4.25	82.98	1,914.03	7.53	31.43	957.02
1,200.00–2,000.00	4	8.51	91.49	5,454.81	21.46	52.89	1,383.70
Over 2,000.00	4	8.51	100.00	11,972.49	47.11	100.00	2,993.12
Totals.....	47	100.00	.....	$25,415.37	100.00	.....	$540.75

44 Estimates are under $2,500.00 = 94% of total number, 61% of total charges.

Illinois Bell Telephone Company, Chicago Exchange

Account 241—Exchange Pole Lines

Table Showing Estimate Number and Total Labor Hours in Each Jan. 1, 1921–June 30, 1923

0–19		20–49		50–99		100–199		200–299		300–499		500–1000		Over 1000	
No.	Hr.	No.	Hr.	No.	Hr.	No.	Hr.	No.	Hr.	No.	Hr.	No.	Hr.	No.	Hr.
20,011	5	20,173	22	19,181	91	20,214	143	20,198	241	21,135	302	21,069	724	22,015	1,893
20,028	18	20,194	40	20,215	97	20,223	140	21,142	225	21,136	353	21,129	588	.....	.....
20,181	1	21,066	37	20,238	65	21,121	124	.....	...	21,139	471	21,133	841	.....	.....
20,193	7	21,148	42	21,120	56	21,128	104	.....	...	21,147	366	22,069	694	.....	.....
22,044	12	22,009	27	21,127	86	22,032	112	.....	...	.....	...	22,197	604	.....	.....
22,055	12	22,051	30	22,018	55	22,169	176	.....	...	.....	...	.....	...	.....	.....
22,090	15	22,072	36	22,146	58	23,074	163	.....	...	.....	...	.....	...	.....	.....
23,063	16	22,077	42	.....	...	.....	...	.....	...	.....	...	.....	...	.....	.....
23,105	10	22,113	38	.....	...	.....	...	.....	...	.....	...	.....	...	.....	.....
.....	..	22,120	46	.....	...	.....	...	.....	...	.....	...	.....	...	.....	.....
.....	..	22,180	46	.....	...	.....	...	.....	...	.....	...	.....	...	.....	.....
.....	..	23,084	32	.....	...	.....	...	.....	...	.....	...	.....	...	.....	.....
9	96	12	438	7	508	7	962	2	466	4	1,492	5	3,451	1	1,893

Group	Number of Estimates	% of Total	Cumulative %	Total Hours	% of Total	Cumulative %	Average Hours in Group
0–19	9	19.1	19.1	96	1.0	1.0	11
20–49	12	25.6	44.7	438	4.7	5.7	36
50–99	7	14.9	59.6	508	5.5	11.2	72
100–199	7	14.9	74.5	962	10.3	21.5	137
200–299	2	4.3	78.8	466	5.0	26.5	233
300–499	4	8.5	87.3	1,492	16.0	42.5	373
500–1000	5	10.6	97.9	3,451	37.1	79.6	690
Over 1000	1	2.1	100.0	1,893	20.4	100.0	1,893
Totals	47	100.0	.....	9,306	100.0	.....	198

[fol. 4340] Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Combined Specific and Routine Estimates

1921, 1922, Jan.-June 1923

Account 242—Exchange Aerial Cable

		Quantity	Labor Hours	Extension	Labor Hours at Level of Book Costs
Cable—L.C.	51 x 19	19,568	.1104	2,160	.1202
	101 x 19	14,959½	.1314	1,966	.1431
	202 x 19	1,238½	.1724	213	.1877
	303 x 19	6,488	.2129	1,381	.2318
	16 x 22	3,811	.1089	415	.1186
	26 x 22	56,525½	.1089	6,156	.1186
	51 x 22	313,014	.1089	34,087	.1186
	76 x 22	2,003	.1182	237	.1287
	101 x 22	86,491½	.1260	10,898	.1372
	152 x 22	260	.1460	38	.1590
	202 x 22	9,430½	.1616	1,524	.1760
	303 x 22	2,258½	.1964	443	.2139
	404 x 22	1,705	.2312	394	.2518
	16 x 24	3,233	.1089	352	.1186
	26 x 24	40,725½	.1089	4,435	.1186
	51 x 24	190,573	.1089	20,753	.1186
	76 x 24	14,268	.1182	1,686	.1287
	101 x 24	63,215	.1260	7,965	.1372
	152 x 24	628	.1460	92	.1590
	202 x 24	6,422	.1612	1,035	.1755
	303 x 24	457	.1962	90	.2137
	404 x 24	613	.2310	142	.2516
	16 x 22 S. & C.	468	.1104	51	.1202
	26 x 22 "	24	.1104	3	.1202
	101 x 22 "	35	.1314	5	.1431
Term.—	11 pr. unprot.	3,174	12.39	39,326	13.49
	16 " "	5,411	12.83	69,423	13.97
	26 " "	316	13.90	4,392	15.14
	16 " prot. (WL)	1	12.00	12	13.07
	26 " "	9	12.00	108	13.07
	51 " "	13	13.00	169	14.16
	101 " "	4	16.00	64	17.42
22A Load Pot with 574B Coils.		1	35.40	35	38.55
Total Computed				210,050	
Total Actual				228,668 Hrs.	
Correction Factor				108.9%	

Illinois Bell Telephone Company, Chicago Exchange
Labor Hour Performance on Specific Estimates
Account 242—Exchange Aerial Cable

Item	Quantity				Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Specific Estimates
	Year 1921	Year 1922	Jan.–June 1923	Total			
51 x 19 Cable, L.C.	4,800	5,834	1,828	12,462	.1202	1,498	.1096
101 x 19 " "	9,643	42	2,586	12,271	.1431	1,756	.1305
202 x 19 " "	348½	.....	890	1,238½	.1877	232	.1712
303 x 19 " "	.....	3	6,485	6,488	.2318	1,504	.2114
16 x 22 " "	141	79	.....	220	.1186	26	.1082
26 x 22 " "	2,069	4,228	119	6,416	.1186	761	.1082
51 x 22 " "	24,223½	85,276½	6,187	115,687	.1186	13,720	.1082
101 x 22 " "	739	25,237	1,357	27,333	.1372	3,750	.1251
202 x 22 " "	.....	929½	4,526	5,455½	.1760	960	.1605
303 x 22 " "	.....	2,210	5	2,215	.2139	474	.1951
404 x 22 " "	.....	1,773	(99)	1,674	.2518	422	.2296
16 x 24 " "	.....	73	.....	73	.1186	9	.1082
26 x 24 " "	569	3,156	693	4,418	.1186	524	.1082
51 x 24 " "	3,000	30,740	7,407	41,147	.1186	4,880	.1082
76 x 24 " "	.....	1,800	.....	1,800	.1287	232	.1174
101 x 24 " "	.....	5,149	4,211	9,360	.1372	1,284	.1251
152 x 24 " "	.....	26	350	376	.1590	60	.1450
202 x 24 " "	.....	.....	2,790	2,790	.1755	490	.1601
303 x 24 " "	.....	9	433	442	.2137	94	.1949
404 x 24 " "	.....	685	(72)	613	.2516	154	.2295
101 x 22 " S. & C.	35	.....	.....	35	.1431	5	.1305
11 pr. Unprot. Terminals	68	1,010	144	1,222	13.49	16,485	12.30
16 " " "	155	356	77	588	13.97	8,214	12.74
26 " " "	2	8	2	12	15.14	182	13.81
16 " Prot. " (WL)	.....	1	.....	1	13.07	13	11.92
26 " " "	1	.....	.....	1	13.07	13	11.92
51 " " "	.....	3	.....	3	14.16	42	12.91
101 " " "	.....	1	.....	1	17.42	17	15.89
No. 22-A Load Pot with 30 No. 574B Coils	1	.....	.....	1	38.55	39	35.16
Total Computed Hours	.....	.....	.....	.....	.....	57,840	.....
Total Actual Hours	.....	.....	.....	.....	.....	52,757	.....
Correction Factor	.....	.....	.....	.....	.....	91.2%	.....

( ) = decrease.

[fol. 4342]

Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Specific Estimates over 1000 Hours

Account 242—Exchange Aerial Cable

Item	Quantity: Year 1921	Year 1922	Jan.–June 1923	Total	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Specific Estimates over 1000 Hrs
Cable—51 pr. x 19 ga.	4,382	5,834	(33)	10,183	.1202	1,224	.1064
101 " "	8,216	4	36	8,256	.1431	181	.1266
202 " "	348½	.....	.....	348½	.1877	65	.1661
303 " "	.....	4	4,096	4,100	.2318	950	.2051
16 " 22 ga.	.....	79	.....	79	.1186	9	.1050
26 " "	725	1,459	163	2,347	.1186	278	.1050
51 " "	3,471	61,272	3,685	68,428	.1186	8,116	.1050
101 " "	.....	11,214	(38)	11,176	.1372	1,533	.1214
202 " "	.....	929½	4,544	5,473½	.1760	963	.1558
303 " "	.....	1,190	.....	1,190	.2139	255	.1893
404 " "	.....	1,674	.....	1,674	.2518	422	.2228
606 " "	.....	(8½)	.....	(8½)	.....	.....	.....
909 " "	.....	(16)	.....	(16)	.....	.....	.....
26 " 24 ga.	.....	1,455	(37)	1,418	.1186	168	.1050
51 " "	.....	12,981	5,659	18,640	.1186	2,211	.1050
101 " "	.....	2,400	4,493	6,893	.1372	946	.1213
152 " "	.....	.....	350	350	.1590	56	.1407
202 " "	.....	.....	2,790	2,790	.1755	490	.1553
303 " "	.....	9	433	442	.2137	94	.1891
Terminals— 11 pr. Unprot. (B)	.....	726	104	830	13.49	11,197	11.94
16 " " (C)	27	175	42	244	13.97	3,409	12.36
26 " " (D)	1	6	3	10	15.14	151	13.40
16 " Prot. (WL)	.....	1	.....	1	13.07	13	11.57
26 " " (B)	1	.....	.....	1	13.07	13	11.57
51 " " (B)	1	2	.....	3	14.16	42	12.53
101 " " (B)	.....	.....	(1)	(1)	.....	.....	.....
404 " " (B)	.....	1	(1)	.....	.....	.....	.....
Load Coil Pot 30 #574 coils	1	.....	.....	1	38.55	39	34.12
Total Computed Hours	.....	.....	.....	.....	.....	33,825	.....
Total Actual Hours	.....	.....	.....	.....	.....	29,930	.....
Correction Factor	.....	.....	.....	.....	.....	88.5%	.....

( )=decrease.

[fol. 4343] Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Specific Estimates under 1,000 Hours

Jan. 1, 1921–June 30, 1923

Account 242—Exchange Aerial Cable

Item		Quantity	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Specific Ests. Under 1000 Hrs.
Cable—					
19 ga.	51 pr. L.C.	2,279	.1202	274	.1142
	101 " "	4,015	.1431	575	.1360
	202 " "	890	.1877	167	.1784
	303 " "	2,388	.2318	554	.2203
22 ga.	16 " "	141	.1186	17	.1127
	26 " "	4,069	.1186	483	.1127
	51 " "	47,259	.1186	5,605	.1127
	101 " "	16,157	.1372	2,217	.1304
	303 " "	1,025	.2139	219	.2033
24 ga.	16 " "	73	.1186	9	.1127
	26 " "	3,000	.1186	356	.1127
	51 " "	22,507	.1186	2,669	.1127
	76 " "	1,800	.1287	232	.1223
	101 " "	2,467	.1372	338	.1304
	152 " "	26	.1590	4	.1511
	404 " "	613	.2516	154	.2391
22 ga.	101 " S.&C.	35	.1431	5	.1360
Terminals—					
11 pr.	Unprotected	392	13.49	5,288	12.82
16 "	"	344	13.97	4,806	13.28
26 "	"	2	15.14	30	14.39
101 "	Protected	1	17.42	17	16.56

Total Computed Hours	24,019	
Total Actual Hours	22,827	
Correction Factor		95.04%

Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Routine Estimates

Account 242—Exchange Aerial Cable

Item	Quantity: Year 1921	Year 1922	Jan.-June 1923	Total	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Routine Estimates
51 x 19 Cable, L.C.	885	899	5,322	7,106	.1202	854	.1237
101 x 19 " "	12	2,599½	77	2,688½	.1431	385	.1473
202 x 19 " "	.....	.....	.....	.....	.....	.....	.....
16 x 22 " "	942	2,069	580	3,591	.1186	426	.1221
26 x 22 " "	17,292	20,343½	12,474	50,109½	.1186	5,942	.1221
51 x 22 " "	37,890	73,305	86,132	197,327	.1186	23,403	.1221
76 x 22 " "	.....	753	1,250	2,003	.1287	258	.1325
101 x 22 " "	6,511	23,781½	28,866	59,158½	.1372	8,117	.1412
152 x 22 " "	.....	.....	260	260	.1590	41	.1637
202 x 22 " "	34	965	2,976	3,975	.1760	700	.1812
303 x 22 " "	.....	27	16½	43½	.2139	9	.2202
404 x 22 " "	.....	.....	31	31	.2518	8	.2592
16 x 24 " "	.....	845	2,315	3,160	.1186	375	.1221
26 x 24 " "	2,182	16,570½	17,555	36,307½	.1186	4,306	.1221
51 x 24 " "	1,502	81,160½	66,764	149,426½	.1186	17,722	.1221
76 x 24 " "	.....	7,244	5,224	12,468	.1287	1,605	.1325
101 x 24 " "	295	18,750	34,810	53,855	.1372	7,389	.1412
152 x 24 " "	.....	252	.....	252	.1590	40	.1637
202 x 24 " "	.....	2,405	1,227	3,632	.1755	637	.1806
303 x 24 " "	.....	15	.....	15	.2137	3	.2200
16 x 22 " S. & C.	90	368	5	463	.1202	56	.1237
26 x 22 " "	.....	.....	24	24	.1202	3	.1237
11 pr. Unprot. Terminals	88	920	944	1,952	13.49	26,332	13.89
16 " " "	1,555	1,988	1,280	4,823	13.97	67,377	14.38
25 " " "	97	142	65	304	15.14	4,603	15.58
26 " Prot. "	2	5	1	8	13.07	105	13.45
51 " " "	1	8	1	10	14.16	142	14.57
101 " " "	1	2	.....	3	17.42	52	17.93
202 " " "	.....	1	(1)	.....	.....	.....	.....
Total Computed						170,890	
Total Actual						175,911.5	
Correction Factor						102.93%	

( ) = decrease

(Here follows side folio 4345 and 4346)

[fol. 4345]

Illinois Bell Telephone Company, Chicago Exchange.

Table Showing Estimate Number and Total Construction Charges in Each, Jan. 1, 1921–June 30, 1923

Account 242—Exchange Aerial Cable

Less than $0		$0–$24.99		$25.00–$49.99		$50.00–$99.99		$100–$199.99		$200–$349.99		$350–$599.99		$600–$999.99		$1000–$199[illegible]	
No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt
17,082	$(25.57)	16,276	$7.20	19,121	$35.92	19,096	$87.72	19,056	$136.71	19,190	$279.08	19,062	$509.70	19,179	$741.97	20,173	$1,3
19,050	(609.56)	19,067	19.73	20,023	45.35	22,110	60.88	19,133	149.61	20,011	291.78	20,151	591.95	20,028	870.42	21,127	1,8
.....	.....	19,097	11.54	20,206	31.72	22,190	64.67	20,031	142.01	20,100	292.43	20,193	398.30	21,132	836.31	21,142	1,6
.....	.....	19,139	23.43	21,146	35.78	22,127	57.14	20,080	101.50	20,218	232.23	21,120	503.82	22,070	659.68	22,006	1,9
.....	.....	19,191	11.00	.....	.....	.....	.....	20,085	186.54	20,238	320.86	22,030	566.42	22,079	612.04	22,018	1,1
.....	.....	20,057	10.96	.....	.....	.....	.....	20,110	117.09	22,074	268.47	22,046	409.57	22,077	707.66	22,051	1,7
.....	.....	20,088	7.83	.....	.....	.....	.....	20,194	151.82	22,192	289.49	23,096	517.30	22,081	646.91	22,052	1,3
.....	.....	20,183	13.21	.....	.....	.....	.....	20,197	176.35	23,006	221.35	22,079	397.34	22,146	652.99	22,102	1,7
.....	.....	20,195	21.37	.....	.....	.....	.....	21,066	111.34	23,074	233.68	.....	.....	22,177	650.25	22,104	1,1
.....	.....	20,202	23.36	.....	.....	.....	.....	22,015	183.83	.....	.....	.....	.....	22,194	604.69	22,120	1,1
.....	.....	22,073	4.03	.....	.....	.....	.....	22,065	198.22	.....	.....	.....	.....	.....	.....	23,039	1,0
.....	.....	23,104	2.31	.....	.....	.....	.....	22,092	122.82	.....	.....	.....	.....	.....	.....	.....	...
.....	.....	23,105	7.99	.....	.....	.....	.....	22,103	181.36	.....	.....	.....	.....	.....	.....	.....	...
.....	.....	.....	.....	.....	.....	.....	.....	22,191	152.31	.....	.....	.....	.....	.....	.....	.....	...
.....	.....	.....	.....	.....	.....	.....	.....	23,084	188.15	.....	.....	.....	.....	.....	.....	.....	...
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	...
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	...
2	$(635.13)	13	$163.96	4	$148.77	4	$270.41	15	$2,299.66	9	$2,429.27	8	$3,894.40	10	$6,982.92	11	$16,1

Group	Number of Estimates	% of Total	Cumulative %	Total Charges	% of Total	Cumulative %	Average Amount in Group
Less than $0	2	1.94	1.94	$(635.13)	(.41)	(.41)	$(317.57)
$0– 24.99	13	12.62	14.56	163.96	.11	(.30)	12.61
25.00– 49.99	4	3.88	18.44	148.77	.10	(.20)	37.19
50.00– 99.99	4	3.88	22.32	270.41	.17	(.03)	67.60
100.00– 199.99	15	14.56	36.88	2,299.66	1.48	1.45	153.31
200.00– 349.9	9	8.74	45.62	2,429.27	1.56	3.01	269.92
350.00– 599.99	8	7.77	53.39	3,894.40	2.50	5.51	486.80
600.00– 999.99	10	9.71	63.10	6,982.92	4.49	10.00	698.29
1000.00– 1999.99	11	10.68	73.78	16,194.69	10.40	20.40	1,472.24
2000.00– 3999.99	17	16.50	90.28	52,188.22	33.53	53.93	3,069.89
4000.00– 7500.00	5	4.86	95.14	27,611.91	17.74	71.67	5,522.38
Over 7500.00	5	4.85	100.00	44,099.45	28.33	100.00	8,819.89
Totals	103	100.00	.....	$155,648.63	100.00	.....	$1,511.15

Note—79 Estimates under $2500 = 76.7% of total number = 24.8% of total charges.

( ) = Red.

Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Total Construction Charges in Each, Jan. 1, 1921–June 30, 1923

Account 242—Exchange Aerial Cable

.00–$99.99		$100–$199.99		$200–$349.99		$350–$599.99		$600–$999.99		$1000–$1999.99		$2000–$3999.99		$4000–$7500.00		Over $7500.00	
	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
6	$87.72	19,056	$136.71	19,190	$279.08	19,062	$509.70	19,179	$741.97	20,173	$1,372.59	20,198	$2,533.99	19,181	$6,553.98	21,133	$9,186.86
0	60.88	19,133	149.61	20,011	291.78	20,151	591.95	20,028	870.42	21,127	1,817.65	20,214	2,290.47	21,069	5,132.57	21,139	8,363.35
0	64.67	20,031	142.01	20,100	292.43	20,193	398.30	21,132	836.31	21,142	1,639.23	20 215	2,425.08	21,136	5,950.05	22,069	7,988.73
7	57.14	20,080	101.50	20,218	232.23	21,120	503.82	22,070	659.68	22,006	1,929.12	20,223	2,519.74	21,147	4,260.29	22,155	10,586.98
.	.....	20,085	186.54	20,238	320.86	22,030	566.42	22,072	612.04	22,018	1,169.97	21,121	3,999.16	22,197	5,715.02	23,046	7,973.53
.	.....	20,110	117.09	22,074	268.47	22,046	409.57	22,077	707.66	22,051	1,770.14	21,122	2,561.20	.....	.....	.....	.....
.	.....	20,194	151.82	22,192	289.49	23,096	517.30	22,081	646.91	22,052	1,307.08	21,128	2,082.84	.....	.....	.....	.....
.	.....	20,197	176.35	23,006	221.35	22,079	397.34	22,146	652.99	22,102	1,799.03	21,129	3,716.42	.....	.....	.....	.....
.	.....	21,066	111.34	23,074	233.68	.....	.....	22,177	650.25	22,104	1,199.82	21,135	2,868.24	.....	.....	.....	.....
.	.....	22,015	183.83	.....	.....	.....	.....	22,194	604.69	22,120	1,115.87	22,009	3,093.83	.....	.....	.....	.....
.	.....	22,065	198.22	.....	.....	.....	.....	.....	.....	23,039	1,074.19	22,032	3,851.99	.....	.....	.....	.....
.	.....	22,092	122.82	.....	.....	.....	.....	.....	.....	.....	.....	22,050	2,936.83	.....	.....	.....	.....
.	.....	22,103	181.36	.....	.....	.....	.....	.....	.....	.....	.....	22,113	3,598.97	.....	.....	.....	.....
.	.....	22,191	152.31	.....	.....	.....	.....	.....	.....	.....	.....	22,134	3,309.74	.....	.....	.....	.....
.	.....	23,084	188.15	.....	.....	.....	.....	.....	.....	.....	.....	22,169	3,466.77	.....	.....	.....	.....
.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	22,180	3,833.79	.....	.....	.....	.....
.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,010	3,099.16	.....	.....	.....	.....
	$270.41	15	$2,299.66	9	$2,429.27	8	$3,894.40	10	$6,982.92	11	$16,194.69	17	$52,188.22	5	$27,611.91	5	$44,099.45

% of Total	Cumulative %	Average Amount in Group
(.41)	(.41)	$(317:57)
.11	(.30)	12.61
.10	(.20)	37.19
.17	(.03)	67.60
1.48	1.45	153.31
1.56	3.01	269.92
2.50	5.51	486.80
4.49	10.00	698.29
10.40	20.40	1,472.24
33.53	53.93	3,069.89
17.74	71.67	5,522.38
28.33	100.00	8,819.89
100.00	.....	$1,511.15

tal charges.

[fol. 4346]

Illinois Bell Telephone Company, Chicago Exchange

Account 242—Exchange Aerial Cable

Table Showing Total Labor Hours in Each Estimate, Jan. 1, 1921-June 30, 1923

0–19		20–49		50–99		100–200		300–399		400–499		500–749		750–999		1000–1999		2000–3500		3500–5000	
No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.
16,276	5	19,096	49	19,056	72	19,050	179	20,151	348	19,179	466	20,214	616	20,198	893	19,181	1,082	21,133	2,787	22,155	4,696
17,082	(15)	19,121	30	20,110	99	19,062	168	22,072	320	20,173	414	20,215	694	21,122	873	21,069	1,118	21,136	2,203	.....	.....
19,067	10	20,194	38	20,193	62	19,190	162	22,081	403	22,030	402	20,223	515	21,127	885	21,121	1,386	21,139	2,030	.....	.....
19,097	7	20,197	27	22,046	58	20,011	160	22,146	330	22,070	410	22,006	545	21,128	858	21,129	1,056	22,032	2,105	.....	.....
19,133	8	20,202	20	22,092	55	20,028	133	22,177	382	22,104	464	22,018	481	21,135	901	21,147	1,332	22,069	3,059	.....	.....
19,139	17	20,206	26	22,103	98	20,031	106	23,010	312	.....	.....	22,077	542	22,009	835	22,050	1,417	.....	.....	.....	.....
19,191	3	21,023	38	22,129	60	20,085	102	.....	.....	.....	.....	22,102	695	22,051	884	22,134	1,055	.....	.....	.....	.....
20,057	9	21,066	38	22,192	51	20,100	177	.....	.....	.....	.....	22,120	665	22,052	778	22,180	1,338	.....	.....	.....	.....
20,088	3	21,146	38	22,194	93	20,218	181	.....	.....	.....	.....	.....	.....	22,113	886	22,197	1,871	.....	.....	.....	.....
20,183	10	22,110	40	23,006	56	20,238	130	.....	.....	.....	.....	.....	.....	22,169	896	23,046	1,396	.....	.....	.....	.....
20,195	17	22,015	28	23,096	97	21,120	142	.....	.....	.....	.....	.....	.....	.....	.....	21,142	1,153	.....	.....	.....	.....
.....	..	22,190	29	.....	...	21,132	102	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
22,073	2	23,084	38	.....	...	22,065	128	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
22,127	10	.....	...	.....	...	22,074	200	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
223,104	2	.....	...	.....	...	22,079	130	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3,105	8	.....	...	.....	...	22,191	104	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	..	.....	...	.....	...	23,039	108	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	..	.....	...	.....	...	23,074	132	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
15	96	13	439	11	801	18	2,544	6	2,095	5	2,156	8	4,853	10	8,689	11	14,204	5	12,184	1	4,696

Group		Number of Estimates	% of Total	Cumulative %	Toatl Hours	% of Total	Cumulative %	Average Hours in Group
0–19	Hrs.	15	14.56	14.56	96	.18	.18	6
20–49	"	13	12.62	27.18	439	.83	1.01	34
50–99	"	11	10.68	37.86	801	1.52	2.53	73
100–199	"	18	17.48	55.34	2,544	4.82	7.35	141
300–399	"	6	5.83	61.17	2,095	3.97	11.32	349
400–499	"	5	4.85	66.02	2,156	4.09	15.41	431
500–749	"	8	7.77	73.79	4,853	9.20	24.61	607
750–999	"	10	9.71	83.50	8,689	16.47	41.08	869
1000–1999	"	11	10.68	94.18	14,204	26.92	68.00	1,291
2000–3499	"	5	4.85	99.03	12,184	23.10	91.10	2,437
3500–5000	"	1	.97	100.00	4,696	8.90	100.00	4,696
Totals		103	100.0	.....	52,757	100.0	.....	512

(-) = decrease

[fol. 4347] Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Combined Specific and Routine Estimates

Account 245—(5C only) Exchange Underground Cable

Cable:		Quantity	Trial Labor Hours	Extension	Labor Hours at Level of Book Costs
19 ga.	2 pr.	280	.2200*	62	.2607
	26 "	82	.2301	19	.2727
	51 "	1,201	.2309	277	.2736
	101 "	6,370	.2485	1,583	.2945
	202 "	1,989	.2832	563	.3356
	303 "	98,168	.3187	31,286	.3777
	455 "	42,373	.3430	14,534	.4065
22 ga.	6 "	10	.2200*	2	.2607
	11 "	165	.2200*	36	.2607
	16 "	3,584	.2200*	788	.2607
	26 "	24,719	.2241	5,540	.2656
	40 "	15	.2298*	3	.2723
	51 "	82,267	.2335	19,209	.2767
	76 "	485	.2425	118	.2874
	101 "	68,466	.2523	17,274	.2990
	152 "	1,222	.2703	330	.3203
	202 "	31,254	.2892	9,039	.3427
	303 "	15,858	.3256	5,163	.3858
	404 "	20,492	.3620	7,418	.4290
	455 "	50	.3804	19	.4508
	606 "	207,302	.4284	88,808	.5077
	909 "	97,272	.5355	52,089	.6346
24 ga.	16 "	491	.2200*	108	.2607
	26 "	13,416	.2241	3,007	.2656
	51 "	72,079	.2335	16,830	.2767
	76 "	5,143	.2425	1,247	.2874
	101 "	55,239	.2523	13,937	.2990
	152 "	1,645	.2703	445	.3203
	202 "	32,046	.2892	9,268	.3427
	303 "	15,010	.3256	4,887	.3858
	404 "	10,672	.3620	3,863	.4290
	606 "	126,638	.4284	54,252	.5077
	909 "	12,856	.5355	6,884	.6346
	1212 "	278,383	.6662	185,459	.7894
14 & 16 ga.	140 "	283	.4641*	131	.5500
19 & 22 ga.	404 "	72	.4284*	31	.5077
	455 "	12,526	.4462*	5,589	.5287
S & C.	11 pr.	497	.4514	224	.5349
	16 "	1,604	.4563	730	.5395
	21 "	1,107	.4591	508	.5440
	26 "	695	.4630	322	.5487
	51 "	280	.4833	135	.5727
	152 "	99	.5713	57	.6770
	202 "	1,015	.6157	625	.7296
	303 "	7,107	.7047	5,008	.8351
	404 "	5,220	.7937*	4,143	.9405
	606 "	1,361	.9666	1,316	1.1454

* Computed.

[fol. 4348]

Cable:				
T. S. 1212 pr.	21	.6662	14	.7894
92 pr.–37 qds., 13 ga., 18 pr. 19 ga.	750	.3187*	239	.3777
150 pr.–12 qds., 13 ga. 5 " 16 " 28 x 22	1,240	.3074*	381	.3643
175 pr. 75 pr. 16 ga., 100 pr. 19 ga.	803	.3010*	242	.3567
292 pr. {7 qds. 16 ga., 137 qds. 19 ga. 13 pr. 19 ga., 1 pr. 22 ga.}	1,210	.4284*	518	.5077
450-pr. S.P. ins. Spec. 49529—19 ga.	2,599	.3430*	891	.4065
Terminals:				
14B– 10 pr.	13	12.39	161	14.68
14C– 15 "	243	12.83	3,118	15.20
14D– 25 "	70	13.90	973	16.47
B– 26	91	12.00	1,092	14.22
B– 51	595	13.00	7,735	15.40
B– 76	22	14.00	308	16.59
B–101	280	16.00	4,480	18.96
B–152	3	21.00	63	24.88
B–202	17	24.00	408	28.44
B–303	3	35.00	105	41.48
B–404	1	42.00	42	49.77
22A– 10 pr.	3	12.00	36	14.22
22B– 16 "	10	12.00	120	14.22
22C– 20 "	4	12.10*	48	14.34
22D– 32 "	8	12.20	98	14.46
22E– 42 "	1	12.60	13	14.93
23A– 52 "	2	13.00	26	15.40
23D–208 "	3	24.00	72	28.44
23E–260 "	1	29.30	29	34.72
17A– 26 "	4	13.90	56	16.47
17C– 51 "	32	13.00	416	15.40
8A–	1	12.39	12	14.68
50FX	1	13.00	13	15.40
15WL 29–27	1	10.00*	10	11.85
" 30–27	1	10.00*	10	11.85
" 30	1	10.00*	10	11.85
25WL 35–37	1	11.20	11	13.27
" 30	7	11.20	78	13.27
" 63	1	11.20	11	13.27
50WL 30–27	4	13.00	42	15.40
" 35–37	1	13.00	13	15.40
" 63	7	13.00	91	15.40
100WL 63	6	16.00	96	18.96
150WL 63	1	21.00	21	24.88
15 pr. Flush	12	12.08*	144	14.22
Load Coils:				
11C	4	35.00*	140	41.48
22C–50 coils	5	47.00	235	55.70
23A–28 "	2	35.00	70	41.48
23C–56 "	3	47.00	141	55.70
23J–98 pr.–575B coils	10	60.00*	600	71.10
22C–50 " " "	3	47.00	141	55.70
" 50 " 574B "	4	47.00	188	55.70
" 75 " " "	2	52.00*	104	61.62

* Computed.

[fol. 4349]

Load Coils—23L—75 pr.		8	52.00*	416	61.62
23J—98 " 574B coil		2	60.00*	120	71.10
Terminals—					
1200 pr. oak		2	137.00	274	162.34
351 "		5	49.50	247	58.66
16 " prot.		1	5.50	6	6.52
26 " "		1	6.39	6	7.57
Total Computed			598,100		
Total Actual			708,743		
Correction Factor			118.50		

* Computed.

[fol. 4350] Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Specific Estimates, Jan. 1, 1921–June 30, 1923

Account 245—(5C only) Exchange Underground Cable

	Quantity	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Specific Ests.
Cable:				
19 ga. 26 pr.	2	.2727	1	.2210
51 "	1,201	.2736	329	.2218
101 "	6,164	.2945	1,815	.2387
202 "	1,198	.3356	402	.2720
303 "	67,536	.3777	25,508	.3062
455 "	40,428	.4065	16,434	.3295
22 ga. 16 "	140	.2607	36	.2113
26 "	5,136	.2656	1,364	.2153
40 "	15	.2723	4	.2207
51 "	25,145	.2767	6,958	.2243
76 "	20	.2874	6	.2330
101 "	21,252	.2990	6,354	.2424
152 "	448	.3203	143	.2596
202 "	14,844	.3427	5,087	.2778
303 "	11,236	.3858	4,335	.3127
404 "	12,257	.4290	5,258	.3477
455 "	50	.4508	23	.3654
606 "	181,965	.5079	92,384	.4115
909 "	94,919	.6346	60,236	.5144
24 ga. 16 "	25	.2607	7	.2113
26 "	2,201	.2656	585	.2153
51 "	27,123	.2767	7,505	.2243
76 "	777	.2874	223	.2330
101 "	7,084	.2990	2,118	.2424
152 "	500	.3203	160	.2596
202 "	11,738	.3427	4,023	.2778
303 "	11,153	.3858	4,303	.3127
404 "	9,230	.4290	3,960	.3477
606 "	122,724	.5077	62,307	.4115
909 "	12,856	.6346	8,158	.5144
1212 "	273,734	.7894	216,086	.6399
19 & 22 ga., 404 pr.	72	.5077	37	.4115
455 "	12,098	.5287	6,396	.4286
S. & C. Cable:				
11 pr.	472	.5349	252	.4336
16 "	87	.5395	47	.4373
21 "	1,000	.5440	544	.4410
26 "	6	.5487	3	.4448
152 "	15	.5770	10	.5488
202 "	617	.7296	450	.5914
303 "	6,223	.8351	5,197	.6769
404 "	4,722	.9405	4,441	.7624
606 "	1,356	1.1454	1,553	.9285

[fol. 4351]

Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Specific Estimates, Jan. 1, 1921–June 30, 1923

Account 245—(5C only) Exchange Underground Cable

	Quantity	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Specific Ests.
T.S. Cable—1212 pr.	21	.7894	17	.6399
92 pr.–37 qds. 13 ga., 18 pr. 19 ga.	750	.3777	283	.3062
175 pr.–75 pr. 16 ga., 100 pr. 19 ga.	803	.3567	286	.2891
292 pr. {4 qds. 16 ga., 137 qds. 19 ga. / 13 pr. 19 ga., 1 pr. 22 ga.}	1,210	.5077	614	.4115
450 S.P.–Spec. 49529—19 ga.	2,599	.4065	1,056	.3295
Terminals:				
14C	43	15.20	654	12.32
14D	14	16.47	231	13.35
B– 26	11	14.22	156	11.53
51	236	15.40	3,634	12.48
76	6	16.59	100	13.45
101	80	18.96	1,517	15.37
202	5	28.44	142	23.05
303	3	41.48	124	33.62
404	1	49.77	50	40.34
22A	1	14.22	14	11.53
17A	3	16.47	49	13.35
C	32	15.40	493	12.48
50FX	1	15.40	15	12.48
Load Coils:				
11C	3	41.48	124	33.62
22C	3	55.70	167	45.15
23C	3	55.70	167	45.15
23J–98 pr.–575B Coil	10	71.10	711	57.63
22C–50 " " "	3	55.70	167	45.15
22C–50 " 574B "	4	55.70	223	45.15
22C–75 " " "	2	61.62	123	49.95
23L–75 " " "	8	61.62	493	49.95
23J–98 " 574B "	2	71.10	142	57.63
Terminals:				
1200 oak	2	162.34	325	131.59
351 pr.	5	58.66	293	47.55
Total Computed			567,412	
Total Actual			459,960	
Correction Factor			81.06%	

[fol. 4352] Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Routine Estimates, Jan. 1, 1921–June 30, 1923

Account 245 (5C only) Exchange Underground Cable

Cable:		Quantity	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Routine Ests.
19 ga.	2 pr.	280	.2607	73	.4588
	26 "	80	.2727	22	.4799
	101 "	206	.2945	61	.5183
	202 "	791	.3356	265	.5906
	303 "	30,632	.3777	11,570	.6647
	455 "	1,945	.4065	791	.7154
22 ga.	6 "	10	.2607	3	.4588
	11 "	165	.2607	43	.4588
	16 "	3,444	.2607	898	.4588
	26 "	19,583	.2656	5,201	.4674
	51 "	57,122	.2767	15,806	.4870
	76 "	465	.2874	134	.5058
	101 "	47,214	.2990	14,117	.5262
	152 "	774	.3203	248	.5637
	202 "	16,410	.3427	5,624	.6031
	303 "	4,622	.3858	1,783	.6790
	404 "	8,235	.4290	3,533	.7550
	606 "	25,337	.5077	12,864	.8935
	909 "	2,353	.6346	1,493	1.1168
24 ga.	16 "	466	.2607	121	.4588
	26 "	11,215	.2656	2,979	.4674
	51 "	44,956	.2767	12,439	.4870
	76 "	4,366	.2874	1,255	.5058
	101 "	48,155	.2990	14,398	.5262
	152 "	1,145	.3203	367	.5637
	202 "	20,308	.3427	6,960	.6031
	303 "	3,857	.3858	1,488	.6790
	404 "	1,442	.4290	619	.7550
	606 "	3,914	.5077	1,987	.8935
	1212 "	4,649	.7894	3,670	1.3893
14 & 16 ga.	140 pr.	283	.5500	156	.9679
19 & 22 ga.	455 "	428	.5287	226	.9305
S. & C.	11 "	25	.5349	13	.9414
	16 "	1,517	.5395	818	.9495
	21 "	107	.5440	58	.9574
	26 "	689	.5487	378	.9657
	51 "	280	.5727	160	1.0079
	152 "	84	.6770	57	1.1915
	202 "	398	.7296	290	1.2840
S. & C.	303 "	884	.8351	738	1.4697
	404 "	498	.9405	468	1.6552
	606 "	5	1.1454	6	2.0158
150 pr. 12 qds. 13 ga. 5 qds. 16 ga., 28 pr. 22 ga.		1,240	.3643	452	.6411

Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Routine Estimates, Jan. 1, 1921–June 30, 1923

Account 245 (5C only) Exchange Underground Cable

[fol. 4353]	Quantity	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Routine Ests.
Terminals:				
14B	13	14.68	191	25.84
14C	200	15.20	3,040	26.75
14D	56	16.47	922	28.99
B–26	80	14.22	1,138	25.03
B–51	359	15.40	5,529	27.10
B–76	16	16.59	265	29.20
B–101	200	18.96	3,792	33.37
B–152	3	24.88	75	43.79
B–202	12	28.44	341	50.05
22–A	2	14.22	28	25.03
22–B	10	14.22	142	25.03
22–C	4	14.34	57	25.24
22–D	8	14.46	116	25.45
22–E	1	14.93	15	26.28
23–A	2	15.40	31	27.10
23–D	3	28.44	85	50.05
23–E	1	34.72	35	61.10
17–A	1	16.47	16	28.99
8–A	1	14.68	15	25.84
15WL–29–27	1	11.85	12	20.85
" 30–27	1	11.85	12	20.85
" 30	1	11.85	12	20.85
25WL–35–37	1	13.27	13	23.35
30	1	13.27	93	23.35
63	1	13.27	13	23.35
50WL–30–27	4	15.40	62	27.10
" 35–37	1	15.40	15	27.10
" 63	7	15.40	108	27.10
100WL–63	6	18.96	114	33.37
150WL–63	1	24.88	25	43.79
15 pr. Flush	12	14.22	171	25.03
Load Coils:				
11C	1	41.48	41	73.00
22C	2	55.70	111	98.03
23A	2	41.48	83	73.00
Terminals:				
16 pr. prot	1	6.52	7	11.47
26 " "	1	7.57	8	13.32

Total Computed	141,365
Total Actual	248,783
Correction Factor	175.99

(Here follows side folios 4354 and 4355)

Illinois Bell Telephone Company, Chicago Exchan

Table Showing Estimate Number and Total Construction Charges in Each,

Account 245 (5C Only) Exchange Underground C

Less than 0		$0–$34		$35–$99		$100–$199		$200–$349		$350–$599		$600–$999		$1,000–$1,599		$1,600–$2,499	
No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt
19,110	$(528)	16,276	$15	19,069	$73	19,056	$176	20,080	$307	20,019	$363	19,179	$782	20,023	$1,207	19,050	$2,0
20,115	(457)	17,082	26	19,144	49	19,062	112	20,142	310	20,028	595	20,088	746	20,077	1,464	20,017	2,0
20,143	(15)	19,029	10	20,197	65	20,110	111	20,193	344	20,085	448	20,120	877	20,211	1,252	20,027	1,9
20,149	(150)	19,034	10	20,236	84	20,218	113	20,239	318	21,008	580	20,173	672	20,214	1,240	20,053	2,1
20,202	(23)	19,096	15	22,169	57	20,219	117	22,015	346	21,097	400	20,223	700	20,238	1,311	20,191	1,8
.....	.....	19,097	27	22,179	69	22,063	156	22,044	341	22,029	572	21,118	998	21,071	1,160	21,002	2,0
.....	.....	19,121	28	23,066	89	22,089	161	22,197	335	22,073	536	22,066	971	21,121	1,494	21,087	2,4
.....	.....	19,126	12	23,084	91	23,052	191	23,039	337	22,082	448	22,072	796	21,132	1,420	21,093	2,1
.....	.....	20,016	13	23,093	80	23,053	129	23,074	344	22,104	485	22,180	673	22,070	1,591	21,119	1,8
.....	.....	20,057	14	.....	....	23,054	176	.....	.....	22,173	415	23,005	760	22,084	1,029	21,129	2,3
.....	.....	20,157	22	.....	....	23,061	198	.....	.....	22,186	445	23,043	951	22,090	1,011	22,048	2,1
.....	.....	21,115	23	.....	....	23,072	141	.....	.....	23,035	437	23,068	612	22,099	1,463	22,067	2,0
.....	.....	22,131	32	.....	....	23,085	162	.....	.....	23,042	422	23,071	730	22,110	1,312	22,120	2,1
.....	.....	22,147	4	.....	....	.....	.....	.....	.....	23,044	369	23,091	955	22,174	1,369	22,124	2,4
.....	.....	23,045	4	.....	....	.....	.....	.....	.....	23,051	477	20,222	731	22,194	1,352	22,125	1,6
.....	.....	23,073	22	.....	....	.....	.....	.....	.....	23,078	414	.....	.....	23,022	1,297	22,171	1,7
.....	.....	23,079	27	.....	....	.....	.....	.....	.....	23,081	494	.....	.....	23,026	1,303	22,178	2,2
.....	.....	.....	....	.....	....	.....	.....	.....	.....	.....	.....	.....	.....	23,077	1,272	22,190	2,1
.....	.....	.....	....	.....	....	.....	.....	.....	.....	.....	.....	.....	.....	23,080	1,511	23,059	1,7
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5	$(1,173)	17	$304	9	$657	13	$1,943	9	$2,982	17	$7,900	15	$11,954	19	$25,058	19	$39,25

Group	Number of Estimates	% of Total	Cumulative %	Total Charges
Less than $0	5	2.01	2.01	$(1,173)
$0–34	17	6.83	8.84	304
35–99	9	3.61	12.45	657
100–199	13	5.22	17.67	1,943
200–349	9	3.61	21.28	2,982
350–599	17	6.83	28.11	7,900
600–999	15	6.03	34.14	11,954
1,000–1,599	19	7.63	41.77	25,058
1,600–2,499	19	7.63	49.40	39,255
2,500–3,999	20	8.03	57.43	62,941
4,000–6,499	24	9.64	67.07	129,449
6,500–9,999	18	7.23	74.30	142,953
10,000–15,999	27	10.84	85.14	355,803
16,000–25,000	26	10.44	95.58	509,528
Over 25,000	11	4.42	100.00	515,348
Totals	249	100.00	.....	$1,804,902

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Illinois Bell Telephone Company, Chicago Exchange

Estimate Number and Total Construction Charges in Each, Jan. 1, 1921–June 30, 1923

Account 245 (5C Only) Exchange Underground Cable

$600–$999		$1,000–$1,599		$1,600–$2,499		$2,500–$3,999		$4,000–$6,499		$6,500–$9,999		$10,000–$15,999		$16,000–$25,000		Over $25,000	
o.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
179	$782	20,023	$1,207	19,050	$2,034	19,186	$2,515	19,084	$6,012	20,156	$8,871	20,072	$13,578	19,190	$21,643	20,081	$33,588
088	746	20,077	1,464	20,017	2,011	20,011	3,570	20,032	6,227	20,233	9,420	20,100	10,157	20,106	24,092	21,075	69,679
120	877	20,211	1,252	20,027	1,964	20,119	2,632	20,083	4,479	21,073	7,015	20,170	15,394	20,198	20,822	21,135	37,910
178	672	20,214	1,240	20,053	2,164	20,151	2,810	20,094	5,321	21,089	7,288	20,215	14,296	21,019	24,052	21,136	27,590
223	700	20,238	1,311	20,191	1,822	21,007	2,801	20,150	5,031	21,090	7,735	20,221	15,365	21,072	24,375	21,137	39,672
118	998	21,071	1,160	21,002	2,065	21,021	3,824	20,194	4,315	21,127	6,525	21,088	10,707	21,092	21,579	21,140	36,149
066	971	21,124	1,494	21,087	2,483	21,066	2,827	21,086	4,915	21,141	6,710	21,126	11,321	21,120	16,609	22,032	37,139
072	796	21,132	1,420	21,093	2,175	21,069	3,397	21,123	6,386	22,008	8,443	21,130	11,501	21,122	18,956	22,040	73,160
180	673	22,070	1,591	21,119	1,830	21,121	3,391	21,128	6,178	22,018	6,714	21,134	13,838	21,131	17,759	22,064	40,041
005	760	22,084	1,029	21,129	2,381	21,148	3,695	21,139	6,448	22,021	6,950	21,138	10,486	21,142	16,034	22,101	77,702
043	951	22,090	1,011	22,048	2,197	22,009	2,641	22,068	6,337	22,045	9,767	21,146	11,725	22,006	19,811	22,189	42,718
068	612	22,099	1,463	22,067	2,018	22,053	2,686	22,069	4,335	22,046	6,957	22,020	15,477	22,007	16,600	.....	.....
071	730	22,110	1,312	22,120	2,103	22,074	3,512	22,071	5,740	22,127	7,370	22,030	14,579	22,051	22,039	.....	.....
091	955	22,174	1,369	22,124	2,453	22,079	2,996	22,080	5,602	22,154	9,775	22,031	13,402	22,077	16,538	.....	.....
222	731	22,194	1,352	22,125	1,645	22,102	2,532	22,086	4,301	22,198	8,580	22,050	16,173	22,088	17,782	.....	.....
...	.....	23,022	1,297	22,171	1,736	22,149	3,744	22,126	6,797	23,007	7,769	22,052	15,727	22,087	21,069	.....	.....
...	.....	23,026	1,303	22,178	2,238	22,187	3,768	22,158	5,266	23,008	9,176	22,065	15,188	22,103	16,778	.....	.....
...	.....	23,077	1,272	22,190	2,146	22,195	3,087	22,188	6,176	23,016	7,888	22,075	10,751	22,133	22,004	.....	.....
...	.....	23,080	1,511	23,059	1,790	23,015	3,746	22,193	4,265	.....	.....	22,081	11,759	22,146	18,615	.....	.....
...	.....	.....	.....	.....	.....	23,075	2,767	22,201	4,289	.....	.....	22,092	15,230	22,175	16,036	.....	.....
...	.....	.....	.....	.....	.....	.....	.....	23,002	5,401	.....	.....	22,134	12,051	22,176	18,238	.....	.....
...	.....	.....	.....	.....	.....	.....	.....	23,041	5,397	.....	.....	22,170	13,623	22,177	21,539	.....	.....
...	.....	.....	.....	.....	.....	.....	.....	23,105	5,038	.....	.....	22,172	11,750	22,191	16,553	.....	.....
...	.....	.....	.....	.....	.....	.....	.....	22,192	5,193	.....	.....	23,003	10,559	23,004	23,389	.....	.....
...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,006	15,418	23,010	19,001	.....	.....
...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,024	11,693	21,091	17,622	.....	.....
	$11,954	19	$25,058	19	$39,255	20	$62,941	24	$129,449	18	$142,953	27	$355,803	26	$909,528	11	$515,348

Number of Estimates	% of Total	Cumulative %	Total Charges	% of Total	Cumulative %	Average Amount in Group
5	2.01	2.01	$(1,173)	(.07)	(.07)	$(235)
17	6.83	8.84	304	.02	(.05)	18
9	3.61	12.45	657	.04	(.01)	73
13	5.22	17.67	1,943	.11	.10	149
9	3.61	21.28	2,982	.17	.27	331
17	6.83	28.11	7,900	.44	.71	465
15	6.03	34.14	11,954	.66	1.37	797
19	7.63	41.77	25,058	1.39	2.76	1,319
19	7.63	49.40	39,255	2.17	4.93	2,066
20	8.03	57.43	62,941	3.49	8.42	3,147
24	9.64	67.07	129,449	7.17	15.59	5,394
18	7.23	74.30	142,953	7.92	23.51	7,936
27	10.84	85.14	355,803	19.71	43.22	13,178
26	10.44	95.58	509,528	28.23	71.45	19,597
11	4.42	100.00	515,348	28.55	100.00	46,850
249	100.00	.....	$1,804,902	100.00	.....	$7,249

[fol. 4355]

Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Total Labor Hours in Each, Jan. 1, 1921–June 30, 1923

Account 245 (50 only) Exchange Underground Cable.

Less than 0		0–19		20–49		50–99		100–199		200–349		350–599		600–999		1000–1599		
No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	
19,110	(443)	16,276	11	19,121	23	19,062	63	20,019	140	19,056	206	19,050	510	20,011	692	19,190	1,275	2
20,143	(27)	17,082	15	19,144	35	19,069	62	20,023	188	20,085	282	19,179	466	20,053	972	20,017	1,312	2
20,202	(20)	19,027	2	20,149	32	20,016	52	20,028	139	20,142	258	19,186	588	20,077	972	20,027	1,096	2
.....	.....	19,034	8	20,236	42	20,115	51	20,080	171	20,173	205	20,088	391	20,151	881	20,083	1,570	2
.....	.....	19,096	17	22,063	49	20,218	84	20,193	174	20,211	264	20,120	594	20,194	782	20,119	1,306	2
.....	.....	19,097	17	22,131	34	20,219	94	20,197	118	20,222	243	20,191	449	21,066	699	21,007	1,040	2
.....	.....	19,126	8	22,179	44	22,169	62	20,239	103	21,069	234	20,214	464	21,121	881	21,073	1,390	2
.....	.....	20,057	1	23,074	28	23,042	65	21,008	122	22,029	266	20,223	350	21,132	650	21,086	1,594	2
.....	.....	20,157	10	23,079	22	23,044	59	21,071	154	22,072	306	20,238	368	21,148	754	21,090	1,560	2
.....	.....	21,115	18	.....	.....	23,053	79	21,097	158	22,073	297	21,002	398	22,009	654	21,124	1,216	2
.....	.....	22,147	2	.....	.....	23,066	68	22,015	174	22,082	267	21,021	588	22,067	638	21,127	1,570	2
.....	.....	23,045	4	.....	.....	23,077	62	22,044	198	22,090	257	21,087	570	22,070	760	21,128	1,185	2
.....	.....	23,073	17	.....	.....	23,081	78	22,066	118	22,104	254	21,093	536	22,120	781	21,139	1,357	2
.....	.....	23,085	7	.....	.....	23,084	67	22,089	107	22,173	289	21,118	401	22,149	661	22,053	1,548	2
.....	.....	.....	.....	.....	.....	23,093	61	22,186	130	22,180	310	21,119	466	22,171	966	22,068	1,371	2
.....	.....	.....	.....	.....	.....	20,110	68	23,026	186	22,192	214	21,123	582	22,174	608	22,069	1,120	2
.....	.....	.....	.....	.....	.....	.....	.....	23,039	118	22,197	300	21,129	529	22,178	903	22,074	1,315	2
.....	.....	.....	.....	.....	.....	.....	.....	23,052	150	23,035	274	22,048	491	22,195	680	22,079	1,520	2
.....	.....	.....	.....	.....	.....	.....	.....	23,054	127	23,041	340	22,084	417	23,024	976	22,080	1,598	2
.....	.....	.....	.....	.....	.....	.....	.....	23,061	143	23,051	224	22,099	599	23,059	678	22,124	1,186	2
.....	.....	.....	.....	.....	.....	.....	.....	23,072	104	23,068	212	22,102	486	.....	.....	22,127	1,187	2
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,071	307	22,110	586	.....	.....	22,158	1,162	..
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,075	226	22,125	506	.....	.....	22,188	1,368	..
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,078	341	22,187	388	.....	.....	22,193	1,060	..
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,091	314	22,190	599	.....	.....	22,201	1,500	..
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	22,194	520	.....	.....	23,002	1,332	..
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,005	430	.....	.....	23,007	1,236	..
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,022	372	.....	.....	23,105	1,290	..
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,043	389	.....	.....	.....	.....	..
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,080	498	.....	.....	.....	.....	..
3	(422)	14	137	9	309	16	1,075	21	3,022	25	6,690	30	14,531	20	15,588	28	37,262	

Group	Number of Estimates	% of Total	Cumulative %	Total Hours	% of Total	Cumulative %	Average Hours in Group
Less than 0 Hours	3	1.21	1.21	(422)	(.09)	(.09)	(141)
0–19 "	14	5.62	6.83	137	.03	(.06)	10
20–49 "	9	3.61	10.44	309	.07	.01	34
50–99 "	16	6.43	16.87	1,075	.21	.22	67
100–199 "	21	8.43	25.30	3,022	.66	.88	144
200–349 "	25	10.04	35.34	6,690	1.45	2.33	268
350–599 "	30	12.06	47.40	14,531	3.15	5.48	484
600–999 "	20	8.03	55.43	15,588	3.38	8.86	779
1,000–1,599 "	28	11.24	66.67	37,262	8.08	16.94	1,331
1,600–2,499 "	21	8.43	75.10	43,427	9.42	26,36	2,068
2,500–3,699 "	25	10.04	85.14	77,540	16.82	43,18	3,102
3,700–6,499 "	24	9.64	94.78	112,512	24.41	67.59	4,688
6,500–9,999 "	7	2.81	97.59	54,130	11.74	79.33	7,733
Over 10,000 "	6	2.41	100.00	95,273	20.67	100.00	15,879
Totals	249	100.00	.....	461,074	100.00	.....	1,852

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Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Total Labor Hours in Each, Jan. 1, 1921–June 30, 1923

Account 245 (50 only) Exchange Underground Cable

200–349		350–599		600–999		1000–1599		1600–2499		2500–3699		3700–6499		6500–9999		Over 10,000	
No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.
19,056	206	19,050	510	20,011	692	19,190	1,275	20,094	1,796	19,084	2,962	29,106	3,732	21,019	7,008	20,081	14,944
20,085	282	19,179	466	20,053	972	20,017	1,312	20,100	1,827	22,008	2,732	20,156	4,034	21,075	6,675	21,137	29,984
20,142	258	19,186	588	20,077	972	20,027	1,096	20,215	1,836	20,032	2,614	21,092	5,894	21,136	7,184	21,140	10,124
20,173	205	20,088	391	20,151	881	20,083	1,570	21,072	1,906	20,072	2,600	21,122	4,690	22,032	9,087	22,040	15,728
20,211	264	20,120	594	20,194	782	20,119	1,306	21,089	2,387	20,150	2,796	21,131	5,012	22,051	7,682	22,101	15,034
20,222	243	20,191	449	21,066	699	21,007	1,040	21,091	1,903	20,170	3,050	21,134	4,728	22,064	7,575	22,189	10,459
21,069	234	20,214	464	21,121	881	21,073	1,390	21,138	2,450	20,198	3,655	21,135	5,619	22,133	8,719		
22,029	266	20,223	350	21,132	650	21,086	1,594	21,141	2,086	20,221	3,028	21,142	4,486				
22,072	306	20,238	368	21,148	754	21,090	1,560	22,021	2,288	20,233	3,578	22,006	5,310				
22,073	297	21,002	398	22,009	654	21,124	1,216	22,046	2,097	21,088	2,884	22,007	4,684				
22,082	267	21,021	588	22,067	638	21,127	1,570	22,071	1,912	21,120	3,364	22,020	3,821				
22,090	257	21,087	570	22,070	760	21,128	1,185	22,086	2,042	21,126	3,216	22,030	3,986				
22,104	254	21,093	536	22,120	781	21,139	1,357	22,126	1,631	21,130	3,262	22,031	4,178				
22,173	289	21,118	401	22,149	661	22,053	1,548	22,170	2,108	21,146	3,294	22,050	5,368				
22,180	310	21,119	466	22,171	966	22,068	1,371	22,198	2,452	22,018	3,425	22,052	5,129				
22,192	214	21,123	582	22,174	608	22,069	1,120	23,003	2,210	22,045	3,056	22,077	4,112				
22,197	300	21,129	529	22,178	903	22,074	1,315	23,006	2,397	22,065	3,248	22,088	5,452				
23,035	274	22,048	491	22,195	680	22,079	1,520	23,010	1,786	22,075	2,972	22,087	5,588				
23,041	340	22,084	417	23,024	976	22,080	1,598	23,015	2,200	22,081	3,300	22,092	4,219				
23,051	224	22,099	599	23,059	678	22,124	1,186	23,016	1,953	22,103	3,231	22,134	4,262				
23,068	212	22,102	486	.....	.....	22,127	1,187	23,046	2,160	22,154	2,947	22,146	4,786				
23,071	307	22,110	586	.....	.....	22,158	1,162	.....	.....	22,172	2,631	22,175	4,611				
23,075	226	22,125	506	.....	.....	22,188	1,368	.....	.....	22,191	3,398	22,176	4,830				
23,078	341	22,187	388	.....	.....	22,193	1,060	.....	.....	23,004	3,468	22,177	3,981				
23,091	314	22,196	599	.....	.....	22,201	1,500	.....	.....	23,008	2,829	.....	.....				
.....	.....	22,194	520	.....	.....	23,002	1,332	.....	.....	.....	.....	.....	.....				
.....	.....	23,005	430	.....	.....	23,007	1,236	.....	.....	.....	.....	.....	.....				
.....	.....	23,022	372	.....	.....	23,105	1,290	.....	.....	.....	.....	.....	.....				
.....	.....	23,043	389	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....				
.....	.....	23,080	498	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....				
25	6,690	30	14,531	20	15,588	28	37,262	21	43,427	25	77,540	24	112,512	7	54,130	6	95,273

[fol. 4356] Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Specific and Routine Estimates, Jan. 1, 1921-June 30, 1923

Account 245 (35C Only) Exchange Underground Cable

			Quantity	Trial Labor Hours	Extension	Labor Hours at Level of Book Cost
Cable:						
13 ga.—	16	pr.	100	.4591*	46	.5438
22 "	16	"	16,723	.4553	7,614	.5393
	21	"	1,000	.4591	459	.5438
	26	"	71,580	.4630	33,142	.5484
	51	"	45,780	.4833	22,125	.5725
	76	"	992	.5055	501	.5988
	101	"	31,328	.5278	16,535	.6252
	152	"	474	.5713	271	.6767
	202	"	11,450	.6157	7,050	.7293
	303	"	3,135	.7047	2,209	.8347
	404	"	2,494	.7926	1,977	.9388
	606	"	1,856	.9666	1,794	1.1449
24 ga.	16	"	11,815	.4553	5,379	.5393
	26	"	77,770	.4630	36,008	.5484
	51	"	83,981	.4833	40,588	.5725
	76	"	8,684	.5055	4,390	.5988
	101	"	40,612	.5278	21,435	.6252
	152	"	3,186	.5713	1,820	.6767
	202	"	12,677	.6157	7,805	.7293
	303	"	4,423	.7047	3,118	.8347
	404	"	3,252	.7926	2,562	.9388
	606	"	3,124	.9666	3,020	1.1449
	909	"	863	1.2085	1,043	1.4315
	1212	"	4,628	1.4275*	6,606	1.6909
S. & C.	Ins.—11	pr.	3,738	.4514	1,687	.5347
	16	"	37,436	.4553	17,045	.5393
	21	"	44,421	.4591	20,394	.5438
	26	"	42,888	.4630	19,857	.5484
	31	"	1,709	.4670*	798	.5532
	51	"	17,542	.4833	8,478	.5725
	76	"	1,499	.5055	758	.5988
	101	"	6,544	.5278	3,454	.6252
	152	"	550	.5713	314	.6767
	202	"	4,559	.6157	2,807	.7293
	303	"	1,046	.7047	737	.8347
	404	"	521	.7926	413	.9388
	606	"	96	.9666	93	1.1449
Terminals—	14 B—10	pr.	74	12.39	917	14.68
	14 C 15	"	322	12.83	4,131	15.20
	14 D 25	"	76	13.90	1,056	16.46
	B-51		1	12.51	13	14.82
	202		102	31.08	3,170	36.81
	22 A—10	pr.	1,125	5.10	5,738	6.04
	B 15	"	1,048	5.50	5,764	6.51
	C 20	"	394	5.87	2,312	6.95
	D 30	"	452	6.91	3,123	8.18
	E 40	"	517	8.05	4,162	9.54

*=Computed.

	Quantity	Trial Labor Hours	Extension	Labor Hours at Level of Book Cost
[fol. 4357]				
23 A—52 pr. ..	556	12.51	6,956	14.82
B 104 " ..	308	18.57	5,720	21.99
C 156 " ..	46	25.02	1,151	29.64
D 208 " ..	87	31.08	2,704	36.81
E 260 " ..	48	37.24	1,788	44.11
F 312 " ..	34	43.31	1,473	51.30
G 416 " ..	20	55.53	1,111	65.78
15WL—29-27	6	5.50	33	6.51
28-29	1	5.50	6	6.51
30-27	25	5.50	137	6.51
35-37	1	5.50	6	6.51
29	5	5.50	28	6.51
30	4	5.50	22	6.51
74	2	5.50	11	6.51
15WL	1	5.50	6	6.51
25WL—29-27	132	6.39	843	7.57
29-28	2	6.39	13	7.57
30-27	190	6.39	1,214	7.57
30-28	4	6.39	26	7.57
35-37	7	6.39	45	7.57
29	2	6.39	13	7.57
30	4	6.39	26	7.57
63	4	6.39	26	7.57
—	1	6.39	6	7.57
50WL—29-27	62	12.51	776	14.82
29-28	1	12.51	13	14.82
30-27	87	12.51	1,088	14.82
30-28	1	12.51	13	14.82
35-37	2	12.51	25	14.82
63	99	12.51	1,238	14.82
—	1	12.51	13	14.82
100WL—29-27	5	18.57	93	21.99
30-27	5	18.57	93	21.99
63	108	18.57	2,006	21.99
150WL—63	23	25.02	575	29.64
200WL—29-28	1	31.08	31	36.81
63	11	31.08	342	36.81
300WL—63	1	43.31	43	51.30
400WL—29-28	1	55.53	56	65.78
15 pr. Flush	18	7.90*	142	9.36
25 " "	89	8.43*	750	9.99
15 Special steel	15	5.50	82	6.51
15 Bldg. term.	3	12.83	38	15.20
Special steel box	43	5.00*	215	5.92
161 W. M. Bldg. term.	12	24.82*	298	29.40
200 pr. vertical	1	31.08	31	36.81
200 " special 87393	2	31.08	62	36.81
400 " oak	3	55.53	167	65.78
[fol. 4358]				
600 pr. oak	7	77.50	542	91.80
624 " "	10	77.50*	775	91.80
1200 " "	4	137.00	548	162.28
1800 " "	1	198.00*	198	234.53
1092 mahogany	1	120.00*	120	142.14
600 pr. locknut	2	77.50	155	91.80
624 " "	1	77.50*	78	91.80
858 " "	2	99.00	198	117.27

*=Computed.

			Quantity	Trial Labor Hours	Extension	Labor Hours at Level of Book Cost
1040	"	"	4	115.00	460	136.22
1092	"	"	1	120.00*	120	142.14
1248	"	"	2	137.00	274	162.28
6241	"	"	2	77.50*	155	91.80
624	"	term.	7	77.50	542	91.80
702	"	"	1	86.80	87	102.81
832	"	"	8	99.00	792	117.27
1040	"	"	1	115.00	115	136.22
1200	"	"	1	137.00	137	162.28
1800	"	"	1	198.00*	198	234.53
1872	mahogany		1	198.00*	198	234.53
4160	"		1	55.53*	56	65.78
11	pr.	prot.	3	5.10	15	6.04
16	"	"	24	5.50	132	6.51
26	"	"	7	6.39	45	7.57
51	"	"	5	12.51	63	14.82

Total Computed	372,275
Total Actual	440,962
Correction Factor	118.45%

[fol. 4359] Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Specific Estimates, Jan. 1, 1921-June 30, 1923

Account 245 (35C only) Exchange Underground Cable

Cable:		Quantity	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Specific Est.
22 ga.	16 pr.	2,046	.5393	1,103	.5773
	21 "	1,000	.5438	544	.5821
	26 "	12,438	.5484	6,821	.5871
	51 "	5,598	.5725	3,205	.6129
	101 "	5,921	.6252	3,702	.6693
	152 "	131	.6767	89	.7244
	202 "	6,207	.7293	4,527	.7807
	303 "	1,547	.8347	1,291	.8935
	404 "	2,310	.9388	2,169	1.0050
	606 "	1,496	1.1449	1,713	1.2256
24 ga.	16 "	579	.5393	312	.5773
	26 "	10,211	.5484	5,600	.5871
	51 "	6,925	.5725	3,965	.6129
	76 "	2,280	.5988	1,365	.6410
	101 "	3,813	.6252	2,384	.6693
	152 "	1,234	.6767	835	.7244
	202 "	2,843	.7293	2,073	.7807
	303 "	2,158	.8347	1,801	.8935
	404 "	555	.9388	521	1.0050
	606 "	2,073	1.1449	2,373	1.2256
	909 "	863	1.4315	1,235	1.5324
	1212 "	2,711	1.6909	4,584	1.8101
S. & C.	16 "	1,793	.5393	967	.5773
	21 "	20	.5438	11	.5821
	26 "	5,602	.5484	3,072	.5871
	51 "	1,595	.5725	913	.6129
	76 "	540	.5988	323	.6410
	101 "	1,302	.6252	814	.6693
	152 "	70	.6767	47	.7244

*=Computed.

	Quantity	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Specific Est.
202 "	1,185	.7293	864	.7807
303 "	351	.8347	293	.8935
404 "	169	.9388	159	1.0050
606 "	22	1.1449	25	1.2256
Terminals:				
14B	1	14.68	15	15.71
14C	28	15.20	426	16.27
14D	5	16.46	82	17.62
B-202	102	36.81	3,755	39.41
22A	127	6.04	767	6.47
22B	145	6.51	944	6.97
22C	35	6.95	243	7.44
22D	13	8.18	106	8.76
22E	142	9.54	1,355	10.21
23A	118	14.82	1,749	15.86
23B	72	21.99	1,583	23.54
23D	10	36.81	368	39.41
23G	1	65.78	66	70.42
[fol. 4360]				
15WL—29	1	6.51	7	6.97
30	1	6.51	7	6.97
—	1	6.51	7	6.97
25WL—30-27	1	7.57	8	8.10
35-37	1	7.57	8	8.10
29	2	7.57	15	8.10
30	4	7.57	30	8.10
—	1	7.57	8	8.10
50WL—30-27	2	14.82	30	15.86
63	3	14.82	44	15.86
—	1	14.82	15	15.86
100WL—63	4	21.99	88	23.54
400WL—29-28	1	65.78	66	70.42
25 pr. Flush	66	9.99	659	10.69
Special steel box	43	5.92	255	6.34
161WM—40 Bldg.term.	12	29.40	353	31.47
1200 oak	2	162.28	325	173.72
600 pr. locknut	2	91.80	184	98.27
624 " "	1	91.80	92	98.27
1040 " "	3	136.22	409	145.82
1092 " "	1	142.14	142	152.16
1248 " "	2	162.28	325	173.72
No. 6241 "	2	91.80	184	98.27
624 term.	2	91.80	184	98.27
832 "	2	117.27	235	125.54
1040 "	1	136.22	136	145.82
1800 "	1	234.53	235	251.06
1872 mahogany	1	234.53	235	251.06
4160 "	1	65.78	66	70.42

Total Computed	75,511
Total Actual	80,834
Correction Factor	107.50%

[fol. 4361] Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Routine Estimates, Jan. 1, 1921-June 30, 1923

Account 245 (35C Only) Exchange Underground Cable

		Quantity	Labor hours at level of book costs	Extension	Labor hours at level of routine est.
Cable:					
16 ga.	13 pr.	100	.5438	54	.5359
22 "	16 "	14,677	.5393	7,915	.5314
	26 "	59,142	.5484	32,433	.5404
	51 "	40,182	.5725	23,004	.5641
	76 "	992	.5988	594	.5901
	101 "	25,407	.6252	15,884	.6161
	152 "	343	.6767	232	.6668
	202 "	5,243	.7293	3,824	.7187
	303 "	1,588	.8347	1,326	.8225
	404 "	184	.9388	173	.9251
	606 "	360	1.1449	412	1.1282
24 ga.	16 "	11,236	.5393	6,060	.5314
	26 "	67,559	.5484	37,049	.5404
	51 "	77,056	.5725	44,115	.5641
	76 "	6,404	.5988	3,835	.5901
	101 "	36,799	.6252	23,007	.6161
	152 "	1,952	.6767	1,321	.6668
	202 "	9,834	.7293	7,172	.7187
	303 "	2,266	.8347	1,891	.8225
	404 "	2,677	.9388	2,513	.9251
	606 "	1,051	1.1449	1,203	1.1282
	1212 "	1,917	1.6909	3,241	1.6662
S. & C.	11 "	3,738	.5347	1,999	.5269
	16 "	35,643	.5393	19,222	.5314
	21 "	44,401	.5438	24,145	.5359
	26 "	37,286	.5484	20,448	.5404
	31 "	[illegible]	.5532	945	.5451
	51 "	[illegible]	.5725	9,130	.5641
	76 "	[illegible]	088	574	.5901
	101 "	[illegible]	6252	3,277	.6161
	152 "	[illegible]	767	325	.6668
	202 "	[illegible]	293	2,461	.7187
	303 "	[illegible]	347	580	.8225
	404 "	35	388	330	.9251
	606 "	74	49	85	1.1282
Terminals:					
14B		73	14.68	1,072	14.47
14C		294	15.20	4,469	14.98
14D		71	16.46	1,169	16.22
B-51		1	14.82	15	14.60
22A		998	6.04	6,028	.595
22B		903	6.51	5,879	.641
22C		359	6.95	2,495	.685
22D		439	8.18	3,591	8.06
22E		375	9.54	3,578	9.40

[fol. 4362]

23A	438	14.82	6,491	14.60
B	236	21.99	5,190	21.67
C	46	29.64	1,363	29.21
D	77	36.81	2,834	36.27
E	48	44.11	2,117	43.47
F	34	51.30	1,744	50.55

	Quantity	Labor hours at level of book costs	Extension	Labor hours at level of routine est.
G	19	65.78	1,250	64.82
15WL—29-27	6	6.51	39	6.41
29-28	1	6.51	7	6.41
30-27	25	6.51	163	6.41
35-27	1	6.51	7	6.41
29	4	6.51	26	6.41
30	3	6.51	20	6.41
74	2	6.51	13	6.41
25WL—29-27	132	7.57	999	7.46
29-28	2	7.57	15	7.46
30-27	189	7.57	1,431	7.46
30-28	4	7.57	30	7.46
35-37	6	7.57	45	7.46
63	4	7.57	30	7.46
50WL—29-27	62	14.82	919	14.60
29-28	1	14.82	15	14.60
30-27	85	14.82	1,260	14.60
30-28	1	14.82	15	14.60
35-37	2	14.82	30	14.60
63	96	14.82	1,423	14.60
100WL—29-27	5	21.99	110	21.67
30-27	5	21.99	110	21.67
63	104	21.99	2,287	21.67
150WL—63	23	29.64	682	29.21
200WL—29-28	1	36.81	37	36.27
63	11	36.81	405	36.27
300WL—63	1	51.30	51	50.55
15 pr. Flush	18	9.36	168	9.22
25 " "	23	9.99	230	9.84
25 " steel special.	15	6.51	98	6.41
15 " bldg. term...	3	15.20	46	14.98
200 " vertical	1	36.81	37	36.27
200 " Spec. 87393..	2	36.81	74	36.27
400 " oak	3	65.78	197	64.82
600 " "	7	91.80	643	90.46
624 " "	10	91.80	918	90.46
1200 " "	2	162.28	325	159.91
1800 " "	1	234.53	235	231.11

[fol. 4363]

1092 pr. mahogany ..	1	142.14	142	140.06
858 " locknut	2	117.27	235	115.56
1040 " "	1	136.22	136	134.23
624 " term.	5	91.80	459	90.46
702 " "	1	102.81	103	101.31
832 " "	6	117.27	704	115.56
1200 " "	1	162.28	162	159.91
11 " prot.	3	6.04	18	5.95
16 " "	24	6.51	156	6.41
26 " "	7	7.57	53	7.46
51 " "	5	14.82	74	14.60

Total Computed	365,446
Total Actual	360,128
Correction Factor	98.54%

(Here follow side folios 4364 and 4365)

[fol. 4364]

Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Total Construction Charges in Each, Jan. 1, 1921-June 30, 1923

Account 245 (35C Only), Exchange Underground Cable

$0–49		$50–149		$150–299		$300–499		$500–899		$900–1,499		$1,500–2,499		$2,500–3,999		$4,000–5,999		$6,000–10,000		Over 10,000	
No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
20,077	16	19,091	120	19,179	202	20,019	360	19,050	606	19,0[illegible]	1,181	21,066	1,844	20,023	2,668	20,010	4,020	20,053	7,407	21,049	14,466
20,190	1	20,011	109	20,143	208	20,031	461	19,056	520	20,078	1,242	21,093	2,255	20,236	3,155	20,178	4,120	21,008	6,255	22,125	15,275
20,217	25	20,091	113	20,198	263	20,085	303	20,191	892	20,093	921	21,119	2,105	22,082	3,569	22,029	4,015	21,078	6,695	.....	.....
21,127	21	20,088	148	20,206	203	20,106	466	22,084	667	20,119	1,073	21,118	2,442	22,147	2,709	22,053	5,755	22,073	6,909	.....	.....
21,136	27	20,211	143	20,218	229	20,203	399	22,110	633	20,169	1,358	21,132	2,427	22,171	3,052	22,059	4,650	22,193	9,821	.....	.....
22,070	24	20,239	79	20,238	283	20,222	369	22,178	687	21,002	1,367	22,048	1,905	23,022	3,914	22,063	4,634	.....	.....	.....	.....
22,074	26	21,023	50	21,120	283	22,072	400	22,173	543	21,092	1,089	22,089	1,787	.....	.....	22,099	5,392	.....	.....	.....	.....
.....	.....	21,028	63	21,134	225	23,091	371	23,015	854	22,088	1,075	22,115	2,470	.....	.....	22,124	4,248	.....	.....	.....	.....
.....	.....	21,097	108	.....	.....	.....	.....	23,026	859	22,198	1,388	23,005	2,475	.....	.....	22,186	4,106	.....	.....	.....	.....
.....	.....	21,121	93	.....	.....	.....	.....	.....	.....	21,071	1,343	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	22,032	110	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	22,052	97	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7	$140	12	$1,233	8	$1,896	8	$3,129	9	$6,261	10	$12,037	9	$19,710	6	$19,067	9	$40,940	5	$37,087	2	$29,741

Group	Number of Estimates	% of Total	Cumulative %	Total Charges	% of Total	Cumulative %	Average Amount in Group
$0–49	7	8.24	8.24	$140	.08	.08	$20
50–149	12	14.12	22.36	1,233	.72	.80	103
150–299	8	9.41	31.77	1,896	1.11	1.91	237
300–499	8	9.41	41.18	3,129	1.83	3.74	391
500–899	9	10.59	51.77	6,261	3.65	7.39	696
900–1499	10	11.76	63.53	12,037	7.03	14.42	1,204
1500–2499	9	10.59	74.12	19,710	11.51	25.93	2,190
2500–3999	6	7.06	81.18	19,067	11.13	37.06	3,178
4000–5999	9	10.59	91.77	40,940	23.91	60.97	4,549
6000–10,000	5	5.88	97.65	37,087	21.66	82.63	7,417
Over –10,000	2	2.35	100.00	29,741	17.37	100.00	14,870
Totals	85	100.00	.....	$171,241	100.00	.....	$2,015

[fol. 4365]

Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Total Labor Hours in Each, Jan. 1, 1921–June 30, 1923

Account 245 (35C only), Exchange Underground Cable

$0–34		$35–99		$100–199		$200–349		$350–599		$600–999		$1,000–1,749		$1,750–2,999		$3,000–5,000		Over $5,000	
No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.
20,077	12	20,011	68	19,179	112	19,050	302	20,078	548	19,048	612	20,023	1,324	20,010	1,921	20,053	3,332	21,049	5,976
21,127	9	20,088	68	20,085	156	19,056	240	20,093	353	20,091	715	20,169	1,336	20,178	1,814	22,073	3,824	22,175	6,552
21,134	33	20,143	60	20,106	190	19,091	230	20,119	448	20,236	925	21,119	1,334	21,008	2,271	.....	.....	22,193	5,574
21,136	9	20,190	60	20,198	140	20,019	224	20,191	454	21,002	664	21,118	1,050	21,078	2,521	.....	.....	.....	.....
22,052	24	20,211	56	20,206	112	20,031	244	21,092	443	21,066	988	22,029	1,550	22,053	1,940	.....	.....	.....	.....
22,070	17	20,218	96	20,217	158	20,203	328	21,071	518	21,093	934	22,082	1,158	22,059	1,976	.....	.....	.....	.....
22,074	22	20,239	42	20,222	194	22,173	232	22,084	405	22,048	980	22,115	1,190	22,063	2,673	.....	.....	.....	.....
.....	.....	21,023	40	20,238	103	23,091	219	22,110	428	22,088	608	22,147	1,402	22,099	2,171	.....	.....	.....	.....
.....	.....	21,028	80	21,120	138	.....	.....	22,178	432	22,089	922	22,171	1,690	22,124	2,179	.....	.....	.....	.....
.....	.....	21,097	40	21,132	161	.....	.....	22,198	449	.....	.....	23,005	1,116	22,186	2,231	.....	.....	.....	.....
.....	.....	21,121	40	22,072	197	.....	.....	23,026	454	.....	.....	.....	.....	23,022	2,206	.....	.....	.....	.....
.....	.....	22,032	69	.....	.....	.....	.....	23,015	513	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
7	126	12	719	11	1,661	8	2,019	12	5,445	9	7,348	10	13,150	11	23,903	2	7,156	3	18,102

Group	Number of Estimates	% of Total	Cumulative %	Total Hours	% of Total	Cumulative %	Average Hours in Group
0–34	7	8.24	8.24	126	.16	.16	18
35–99	12	14.12	22.36	719	.90	1.06	60
100–199	11	12.94	35.30	1,661	2.09	3.15	151
200–349	8	9.41	44.71	2,019	2.54	5.69	252
350–599	12	14.12	58.83	5,445	6.84	12.53	454
600–999	9	10.59	69.42	7,348	9.23	21.76	816
1000–1749	10	11.76	81.18	13,150	16.51	38.27	1,315
1750–2999	11	12.94	94.12	23,903	30.02	68.29	2,173
3000–5000	2	2.35	96.47	7,156	8.98	77.27	3,578
Over 5000	3	3.53	100.00	18,102	22.73	100.00	6,034
Totals	85	100.00	.....	79,629	100.00	.....	937

[fol. 4366] EXHIBIT X-8A

Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Combined Specific and Routine Estimates Account 241—Exchange Pole Lines

	Quantity	Trial Labor Hours	Extension	Labor Hours at Level of Book Costs
Poles:				
25 foot, A	8	11.41	91	11.23
25 " B	9	11.41	103	11.23
25 " C	17	11.41	194	11.23
30 " AA	4	15.41	62	15.17
30 " A	59	15.41	909	15.17
30 " B	400	15.41	6,164	15.17
30 " C	7	15.41	108	15.17
35 " AA	97	20.21	1,960	19.90
35 " A	205	20.21	4,143	19.90
35 " B	1,614	20.21	32,619	19.90
35 " C	1	20.21	20	19.90
40 " AA	42	23.95	1,006	23.58
40 " A	174	23.95	4,167	23.58
40 " B	204	23.95	4,886	23.58
45 " AA	22	28.13	619	27.70
45 " A	67	28.13	1,885	27.70
45 " B	42	28.23	1,181	27.70
50 " A	1	32.48	32	31.98
50 " B	4	32.48	130	31.98
55 " A	3	37.22	112	36.65
55 " B	4	37.22	149	36.65
60 " A	1	42.47	42	41.82
60 " B	5	42.47	212	41.82
65 " A		47.14		46.41
Guard Arms	11,046	1.25	13,808	1.23
Crossarms	102	1.25	127	1.23
Patent Anchors and Guys	1,676	9.65	16,173	9.50

Total Computed	90,902
Actual Performance (Book Costs)	89,499
Correction Factor	98.46%

[fol. 4367]

Illinois Bell Telephone Company, Chicago Exchange

Labor Hour Performance on Specific Estimates

Account 241—Exchange Pole Lines

Item	Quantity: Year 1921	Year 1922	Jan.-June 1923	Total	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Specific Estimates
25′-A Poles	...	5	1	6	11.23	67	10.84
25′-B "	...	1	...	1	11.23	11	10.84
30′-AA "	1	...	...	1	15.17	15	14.64
30′-A "	...	4	2	6	15.17	91	14.64
30′-B "	54	27	22	103	15.17	1,563	14.64
35′-AA "	1	1	2	4	19.90	80	19.20
35′-A "	3	11	2	16	19.90	318	19.20
35′-B "	46	96	3	145	19.90	2,886	19.20
40′-A "	8	5	...	13	23.58	307	22.75
40′-B "	3	1	...	4	23.58	94	22.75
Guard Arms	158	677	59	894	1.23	1,100	1.19
Crossarms	47	...	...	47	1.23	58	1.19
Patent Anchors and Guys	42	258	21	321	9.50	3,050	9.17
Total Computed						9,640	
Total Actual						9,305.50	
Correction Factor						96.5%	

[fol. 4368]

Labor Hour Performance on Routine Estimates

Account 241—Exchange Pole Lines

Item	Quantity: Year 1921	Year 1922	Jan.-June 1923	Total	Labor Hours at Level of Book Costs	Extension	Labor Hours at Level of Routine Estimates
25′-A Poles	1	1	...	2	11.23	22	11.27
25′-B "	5	2	1	8	11.23	90	11.27
25′-C "	1	7	9	17	11.23	191	11.27
30′-AA "	...	2	1	3	15.17	46	15.23
30′-A "	17	25	11	53	15.17	804	15.23
30′-B "	58	140	99	297	15.17	4,505	15.23
30′-C "	3	3	1	7	15.17	106	15.23
35′-AA "	10	48	35	93	19.90	1,851	19.98
35′-A "	38	101	50	189	19.90	3,761	19.98
35′-B "	280	734	455	1,469	19.90	29,233	19.98
35′-C "	...	...	1	1	19.90	20	19.98
40′-AA "	7	13	22	42	23.58	990	23.67
40′-A "	25	89	47	161	23.58	3,796	23.67
40′-B "	49	91	60	200	23.58	4,716	23.67
45′-AA "	4	8	10	22	27.70	609	27.81
45′-A "	26	24	17	67	27.70	1,856	27.81
45′-B "	5	25	12	42	27.70	1,163	27.81
50′-A "	...	5	(4)	1	31.98	32	32.11
50′-B "	1	1	2	4	31.98	128	32.11
55′-A "	...	...	3	3	36.65	110	36.80
55′-B "	...	2	2	4	36.65	147	36.80
60′-A "	...	1	...	1	41.82	42	41.99
60′-B "	...	4	1	5	41.82	209	41.99
65′-A "	...	1	(1)	...	46.41	...	46.60
Guard Arms	1,367	5,622	3,163	10,152	1.23	12,487	1.23
Crossarms	7	33	15	55	1.23	68	1.23
Patent Anchors and Guys	250	705	400	1,355	9.50	12,872	9.54
Total Computed						79,854	
Total Actual						80,193.5	
Correction Factor						100.4%	

( ) = decrease.

[fol. 4369]

EXHIBIT X-9

Illinois Bell Telephone Company, Chicago Exchange.

Comparison Between Company Experience on Its Larger Construction Projects and Plaintiff's Exhibit No. 1, 1921-1923

	Total Gross Additions June 30, 1923, Level		
	Appraisal Method	Company Experience	% of Appraisal Method
	Year 1921		
Account 241—Exchange Pole Lines	$81,843.23	$65,545.97	80.09
Account 242—Exchange Aerial Cable	101,883.21	86,577.60	84.98
Account 245—Exchange Underground Cable	700,337.81	642,692.83	91.77
Total	$884,064.25	$794,816.40	89.90
	Year 1922		
Account 241—Exchange Pole Lines	$220,997.29	$178,546.93	80.79
Account 242—Exchange Aerial Cable	284,925.40	259,573.99	91.10
Account 245—Exchange Underground Cable	1,594,642.02	1,470,243.80	92.20
Total	$2,100,564.71	$1,908,364.72	90.85
	Jan.-June, 1923		
Account 241—Exchange Pole Lines	$121,142.75	$102,028.57	84.96
Account 242—Exchange Aerial Cable	194,054.35	181,226.51	93.39
Account 245—Exchange Underground Cable	1,007,138.91	966,151.84	95.93
Total	$1,322,336.01	$1,250,306.92	94.55

98—440 [fol. 4370]

Illinois Bell Telephone Company, Chicago Exchange

Difference Between Cross Additions at Cost Level of June 30, 1923, as Developed from Company's Experience after Eliminating Individual Small Jobs and from Plaintiff's Exhibit No. 1

Account 241—Exchange Pole Lines

	Year 1921	Year 1922	Jan.-June 1923	Total
Gross Additions (Ptf. Exh. No. 1)	$87,058.00	$216,473.00	$118,814.00	$422,345.00
Percent Increase June 30, 1923 over previous periods:				
Company Experience	(24.71)	(17.52)	(13.37)	(17.83)
Plaintiff's Exh. No. 1	(5.99)	2.09	1.96	.39
Amount of Increase:				
Company Experience	$(21,512.03)	$(37,926.07)	$(15,885.43)	$(75,323.53)
Plaintiff's Exh. No. 1	(5,214.77)	4,524.29	2,328.75	1,638.27
Difference	$16,297.26	$42,450.36	$18,214.18	$76,961.80
Difference as % of Actual Increase (or decrease)	75.76	119.29	114.66	102.17
Gross Additions at Level of June 30, 1923:				
Company Experience	$65,545.97	$178,546.93	$102,928.57	$347,021.47
Plaintiff's Exh. No. 1	81,843.23	220,997.29	121,142.75	423,983.27
Difference	$16,297.26	$42,450.36	$18,214.18	$76,961.80
Difference as % of Company Experience	24.86	23.78	17.70	22.18

( ) = decrease.

3867

[fol. 4371] Illinois Bell Telephone Company, Chicago Exchange

Composite Percentages Showing Increase in Costs of Labor and Material, June 30, 1923 over Previous Periods

Account 241—Exchange Pole Lines

	Year 1921	Year 1922	Jan.-June 1923
Percent Increase—Material	(6.91)	5.24	.77
" " —Labor	(34.22)	(27.14)	(19.96)
" of Total Cost—Material*	34.8	29.7	31.8
" " " " —Labor*	65.2	70.3	68.2
Composite Percent—Material	(2.40)	1.56	.24
" " —Labor	(22.31)	(19.08)	(13.61)
Total	(24.71)	(17.52)	(13.37)

* Based on percentages used in Plaintiff's Exhibit No. 1, with adjustments corresponding to decrease in labor hours.

( )=decrease.

[fol. 4372] Illinois Bell Telephone Company, Chicago Exchange

Per Cent Increase in Labor Costs June 30, 1923, Over Previous Periods as Affected by Elimination of Individual Small Jobs

Account 241—Exchange Pole Lines

	Year 1921	Year 1922	Jan.-June 1923
Labor Hours:			
Specific Estimates	1,856.00	6,714.50	735.00
Routine Estimates	12,351.00	42,901.50	24,941.00
Total	14,207.00	49,616.00	25,676.00
Labor Performance—Ratio of Specific Estimates to Specific and Routine Combined	.859	.859	.859
Labor Hours Required at Level of Specific Estimate Performance	12,203.81	42,620.14	22,055.68
Cost per Hour on Specific Estimates at Level of June 30, 1923	$.8459	$.8459	$.8459
Direct Labor Cost at Level of June 30, 1923	$10,323.20	$36,052.38	$18,656.90
Plant Supervision and Tool Expense at 8.3%	856.83	2,992.35	1,548.52
Total Labor Cost at Level of June 30, 1923	$11,180.03	$39,044.73	$20,205.42
Actual Labor Cost	16,997.17	53,591.26	25,243.22
Difference	$5,817.14	$14,546.53	$5,037.80
Percent Increase June 30, 1923 over previous periods	(34.22)	(27.14)	(19.96)

( ) = decrease.

Difference Between Gross Additions at Cost Level of June 30, 1923, as Developed from Company's Experience After Eliminating Individual Small Jobs and from Plaintiff's Exhibit No. 1

Account 242—Exchange Aerial Cable

	Year 1921	Year 1922	Jan.-June 1923	Total
Gross Additions (Ptf. Exh. No. 1)	$112,790.00	$277,976.00	$190,324.00	$581,090.00
Percent Increase June 30, 1923 over previous periods:				
Company Experience	(23.24)	(6.62)	(4.78)	(9.24)
Plaintiff's Exh. No. 1	(9.67)	2.50	1.96	(.04)
Amount of Increase;				
Company's Experience	$(26,212.40)	$(18,402.01)	$(9,097.49)	$(53,711.90)
Plaintiff's Exh. No. 1	(10,906.79)	6,949.40	3,730.35	(227.04)
Difference	$15,305.61	$25,351.41	$12,827.84	$53,484.86
Difference as % of Actual Increase (or decrease)	58.39	137.76	141.00	99.58
Gross Additions at Level of June 30, 1923:				
Company Experience	$86,577.60	$259,573.99	$181,226.51	$527,378.10
Plaintiff's Exh. No. 1	101,883.21	284,925.40	194,054.35	580,862.96
Difference	$15,305.61	$25,351.41	$12,827.84	$53,484.86
Difference as % of Company Experience	17.68	9.77	7.08	10.14

( ) = decrease.

[fol. 4374] Illinois Bell Telephone Company, Chicago Exchange

Composite Percentages Showing Increases in Costs of Labor and Material June 30, 1923, over Previous Periods

Account 242—Exchange Aerial Cable

	Year 1921	Year 1922	Jan.-June 1923
Percent Increase—Material	(18.21)	(2.49)	(2.39)
" " —Labor	(28.49)	(11.72)	(8.37)
" or Total Cost—Material*	51.1	55.3	60.0
" " " " —Labor*	48.9	44.7	40.0
Composite Percent—Material	(9.31)	(1.38)	(1.43)
" " —Labor	(13.93)	(5.24)	(3.35)
Total	(23.24)	(6.62)	(4.78)

* Based on percentages used in Plaintiff's Exhibit No. 1, with adjustments corresponding to decrease in labor hours.
( ) = decrease.

[fol. 4375] Illinois Bell Telephone Company, Chicago Exchange

Per cent Increase in Labor Costs June 30, 1923, Over Previous Periods as Affected by Elimination of Individual Small Jobs

Account 242—Exchange Aerial Cable

	Year 1921	Year 1922	Jan.-June 1923
Labor Hours—Placing:			
Specific Estimates	2,911.50	13,595.26	3,323.04
Routine Estimates	7,434.00	40,409.25	19,196.31
Total	10,345.50	54,004.51	22,519.35
Labor Performance—Ratio of Specific Estimates to Specific and Routine Combined	.912	.912	.912
Labor Hours Required at Level of Specific Estimate Performance	9,435.10	49,252.11	20,537.65
Cost per Hour on Specific Estimates at Level of June 30, 1923	$.8827	$.8827	$.8827
Direct Labor Cost at Level of June 30, 1923	8,328.36	43,474.84	18,128.58
Labor Hours—Splicing:			
Specific Estimates	5,236.00	17,299.74	10,391.96
Routine Estimates	25,345.00	35,008.75	48,518.19
Total	30,581.00	52,308.49	58,910.15
Labor Performance—Ratio of Specific Estimates to Specific and Routine Combined	.912	.912	.912
Labor Hours Required at Level of Specific Estimate Performance	27,889.87	47,705.34	53,726.06
Cost per Hour on Specific Estimates at Level of June 30, 1293	$.7368	$.7368	$.7368
Direct Labor Cost at Level of June 30, 1923	20,549.26	35,149.29	39,585.36
Total Direct Labor Cost at Level of June 30, 1923	$28,877.62	$78,624.13	$57,713.94

	Year 1921	Year 1922	Jan.-June 1923
Plant Supervision and Tool Expense at 8.3%	2,396.84	6,525.80	4,790.26
Total Labor Cost at Level of June 30, 1923	$31,274.46	$85,149.93	$62,504.20
Actual Labor Cost	43,732.89	96,449.97	68,211.69
Difference	$12,458.43	$11,300.04	$5,707.49
Per cent Increase June 30, 1923 over Previous Periods	(28.49)	(11.72)	(8.37)

( ) = decrease.

[fol. 4376] Illinois Bell Telephone Company, Chicago Exchange

Difference Between Gross Additions at Cost Level of June 30, 1923, as Developed from Company's Experience after Eliminating Individual Small Jobs and from Plaintiff's Exhibit No. 1

Account 245—Exchange Underground Cable

	Year 1921	Year 1922	Jan.-June 1923	Total
Gross Additions (Ptf. Exh. No. 1)	$747,665.00	$1,522,622.00	$985,266.00	$3,255,553.00
Percent Increase June 30, 1923 over Previous Periods:				
Company Experience	(14.04)	(3.44)	(1.94)	(5.42)
Plaintiff's Exh. No. 1	(6.33)	4.73	2.22	1.43
Amount of Increase:				
Company Experience	$(104,972.17)	$(52,378.20)	$(19,114.16)	$(176,464.53)
Plaintiff's Exh. No. 1	(47,327.19)	72,020.02	21,872.91	46,565.74
Difference	$57,644.98	$124,398.22	$40,987.07	$223,030.27
Difference as % of Actual Increase (or decrease)	54.91	237.50	214.43	126.39
Gross Additions at Level of June 30, 1923:				
Company Experience	$642,692.83	$1,470,243.80	$966,151.84	$3,079,088.47
Plaintiff's Exh. No. 1	700,337.81	1,594,642.02	1,007,138.91	3,302,118.74
Difference	$57,644.98	$124,398.22	$40,987.07	$223,030.27
Difference as % of Company Experience	8.97	8.46	4.24	7.24

( ) = decrease.

[fol. 4377] Illinois Bell Telephone Company, Chicago Exchange

Composite Percentages Showing Increases in Costs of Labor and Material
June 30, 1923, over Previous Periods

Account 245—Exchange Underground Cable

	Year 1921	Year 1922	Jan.-June 1923
Per cent Increase—Material	(7.10)	3.92	3.83
" " —Labor	(24.65)	(16.53)	(10.43)
" of Total Cost—Material*	60.5	64.0	59.5
" " " " —Labor*	39.5	36.0	40.5
Composite Per cent—Material	(4.30)	2.51	2.28
" " —Labor	(9.74)	(5.95)	(4.22)
Total	(14.04)	(3.44)	(1.94)

* Percentages developed from Company's construction records as composites of Code 5-C (specific estimates only) and Code 35-C (specific and routine estimates combined).

( ) = decrease.

[fol. 4378] Illinois Bell Telephone Company, Chicago Exchange

Development of Composite Percentages of Labor and Material

Account 245—Exchange Underground Cable

	Year 1921	Year 1922	Jan.-June 1923
Distribution of Labor Costs			
Direct Labor Charges Code 5-C (Constr. Records)	$141,956.97	$277,757.08	$169,655.02
Direct Labor Charges Code 35-C (Constr. Records)	113,652.38	158,117.01	143,745.48
Direct Labor Charges Total (Constr. Records)	$255,609.35	$435,874.09	$313,400.50
Percent of Total Direct Labor—Code 5-C	55.5	63.7	54.1
Percent of Total Direct Labor—Code 35-C	44.5	36.3	45.9
Composite Percentages—Labor			
Percent Increase June 30, 1923 over previous periods:			
Code 5-C	(36.53)	(26.50)	(19.33)
Code 35-C	(9.84)	1.05	.07
Percent of Total—Code 5 C	55.5	63.7	54.1
" " " — " 35-C	44.5	36.3	45.9
Composite Percent—Code 5-C	(20.27)	(16.91)	(10.46)
" " — " 35-C	(4.38)	.38	.03
Total	(24.65)	(16.53)	(10.43)
Composite Percentages—Total			
Code 5-C:			
Percent of Total—Material	69.9	71.6	70.4
" " " —Labor	30.1	28.4	29.6
Code 35-C:			
Percent of Total—Material	38.6	38.6	35.1
" " " —Labor	61.4	61.4	64.9

Percent of Total—Code 5-C	70.1	77.1	69.0
" " " —Code 35-C	29.9	22.9	31.0
Composite Percent Code 5-C Material	48.0	55.2	48.6
" " " 35-C "	11.5	8.8	10.9
Total Percent—Material	60.5	64.0	59.5
Composite Percent Code 5-C Labor	21.1	21.9	20.4
" " " 35-C "	18.4	14.1	20.1
Total Percent—Labor	39.5	36.0	40.5

( ) = decrease.

[fol. 4379] Illinois Bell Telephone Company, Chicago Exchange

Percent Increase in Labor Costs June 30, 1923, Over Previous Periods as Affected by Elimination of Individual Small Jobs

Account 245—Exchange Underground Cable—Code 5-C

	Year 1921	Year 1922	Jan.-June 1923
Labor Hours—Placing:			
Specific Estimates	12,956.70	31,903.74	18 367.62
Routine Estimates	12,491.89	22,618.02	21,657.18
Total	25,448.59	54,521.76	40,024.80
Labor Performance—Ratio of Specific Estimates to Specific and Routine Combined	.811	.811	.811
Labor Hours Required at Level of Specific Estimate Performance	20,638.81	44,217.15	32,460.11
Cost per Hour on Specific Estimates at Level of June 30, 1923	$.8695	$.8695	$.8695
Direct Labor Cost at Level of June 30, 1923	$17,945.45	$38,446.81	$28,224.07
Labor Hours—Splicing:			
Specific Estimates	83,653.80	197,674.76	115,403.38
Routine Estimates	41,169.31	83,791.48	67,054.82
Total	124,823.41	281,466.24	182,458.20
Labor Performance—Ratio of Specific Estimates to Specific and Routine Combined	.811	.811	.811
Labor Hours Required at Level of Specific Estimate Performance	101,231.79	228,269.12	147,973.60
Cost per Hour on Specific Estimates at Level of June 30, 1923	$.7342	$.7342	$.7342
Direct Labor Cost at Level of June 30, 1923	$74,324.38	$167,595.19	$108,642.22
Total Direct Labor Cost at Level of June 30, 1923	$92,269.83	$206,042.00	$136,866.29
Plant Supervision and Tool Expense at 8.3%	7,658.40	17,101.49	11,359.90
Total Labor Cost at Level of June 30, 1923	$99,928.23	$223,143.49	$148,226.19
Actual Labor Cost	$157,430.27	$303,588.49	$183,736.39
Difference	$57,502.04	$80,445.00	$35,510.20
Percent Increase June 30, 1923 over previous periods	(36.53)	(26.50)	(19.33)

( ) = decrease.

[fol. 4380] EXHIBIT X-9A

Illinois Bell Telephone Company, Chicago Exchange

Comparison Between Company Experience on Its Larger Construction Projects and Plaintiff's Exhibit No. 1, 1921–1923

	Total Gross Additions June 30, 1923 level		
	Appraisal Method	Company Experience	% of Appraisal Method
Year 1921			
Account 241—Exchange Pole Lines	81,843.23	69,716.05	85.18
Account 242—Exchange Aerial Cable	101,883.21	86,577.60	84.98
Account 245—Exchange Underground Cable	700,337.81	642,692.83	91.77
Total	$884,064.25	$798,986.48	$90.38
Year 1922			
Account 241—Exchange Pole Lines	$220,997.29	190,994.13	86.42
Account 242—Exchange Aerial Cable	284,925.40	259,573.99	91.10
Account 245—Exchange Underground Cable	1,594,642.02	1,470,243.80	92.20
Total	$2,100,564.71	$1,920,811.92	91.44
Jan.-June 1923			
Account 241—Exchange Pole Lines	121,142.75	110,615.83	91.31
Account 242—Exchange Aerial Cable	194,054.35	181,226.51	93.39
Account 245—Exchange Underground Cable	1,007,138.91	966,151.84	95.93
Total	$1,322,336.01	$1,257,994.18	95.13

[fol. 4381] Illinois Bell Telephone Company, Chicago Exchange

Difference Between Gross Additions at Cost Level of June 30, 1923, as Developed from Company's Experience After Eliminating Individual Small Jobs and from Plaintiff's Exhibit No. 1

Account 241—Exchange Pole Lines

	Year 1921	Year 1922	Jan.-June 1923	Total
Gross Additions (Ptf. Exh. No. 1)	$87,058.00	$216,473.00	$118,814.00	$422,345.00
Percent Increase June 30, 1923 over previous periods:				
Company Experience	(19.92)	(11.77)	(6.90)	(12.08)
Plaintiff's Exh. No. 1	(5.99)	(2.09)	1.96	.39
Amount of Increase:				
Company Experience	$(17,341.95)	190,994.13	110,615.83	371,326.01
Plaintiff's Exh. No. 1	(5,214.77)	220,997.29	121,142.75	423,983.27
Difference	$12,127.18	$30,003.16	$10,526.92	$52,657.26
Difference as % of Company Experience	17.40	15.71	9.52	14.18

( ) = decrease.

[fol. 4382] Illinois Bell Telephone Company, Chicago Exchange

Composite Percentages Showing Increases in Costs of Labor and Material June 30, 1923, over Previous Periods

Account 241—Exchange Pole Lines

	Year 1921	Year 1922	Jan.-June 1923
Per cent Increase—Material	(6.91)	5.24	.77
" " —Labor	(26.11)	(18.15)	(10.08)
" of Total Cost—Material*	32.2	27.3	29.3
" " " —Labor*	67.8	72.7	70.7
Composite Per cent—Material	(2.22)	1.43	.23
" " —Labor	(17.70)	(13.20)	(7.13)
Total	(19.92)	(11.77)	(6.90)

* Based on percentages used in Plaintiff's Exhibit No. 1, with adjustments corresponding to decrease in labor hours.

( ) = decrease.

[fol. 4383] Illinois Bell Telephone Company, Chicago Exchange

Per cent Increase in Labor Costs June 30, 1923, over Previous Periods as Affected by Elimination of Individual Small Jobs

Account 241—Exchange Pole Lines

	Year 1921	Year 1922	Jan.-June 1923
Labor Hours:			
Specific Estimates	1,856.00	6,714.50	735.00
Routine Estimates	12,351.00	42,901.50	24,941.00
Total	$14,207.00	49,616.00	25,676.00
Labor Performance—Ratio of Specific Estimates to Specific and Routine Combined	.965	.965	.965
Labor Hours Required at Level of Specific Estimate Performance	13,709.76	47,879.44	24,777.34
Cost per Hour on Specific Estimates at Level of June 30, 1923	$.8459	.8459	.8459
Direct Labor Cost at Level of June 30, 1923	$11,597.09	$40,501.22	$20,959.15
Plant Supervision and Tool Expense @ 8.3%	962.56	3,361.60	1,739.61
Total Labor Cost at Level of June 30, 1923	$12,559.65	$43,862.82	$22,698.76
Actual Labor Cost	16,997.17	53,591.26	25,243.22
Difference	$4,437.52	$9,728.44	$2,544.46
Percent Increase June 30, 1923 over previous period	(26.11)	(18.15)	(10.08)

( ) = Decrease.

[fol. 4384]

EXHIBIT X-10

Illinois Bell Telephone Company—Chicago Exchange

Material and Labor Ratios used in Plaintiff's Exhibits Nos. 1 and A-2 to A-10, Inclusive

Year	Account 241 Exchange Pole Lines			Account 242 Exchange Aerial Cable			Account 243 Exchange Aerial Wire			Account 244 Exchange U. G. Conduit			Account 245 Exchange U. G. Cable		
	% Mat.	% Labor	% Lab. of Mat.	% Mat.	% Labor	% Lab. of Mat.	% Mat.	% Labor	% Lab. of Mat.	% Mat.	% Labor	% Lab. of Mat.	% Mat.	% Labor	% Lab. of Mat.
Aug.-Dec. 1911	47.4	52.6	111.0	56.9	43.1	75.7	38.3	61.7	161.1	39.13	60.87	155.6	77.9	22.1	28.4
1912	47.4	52.6	111.0	56.9	43.1	75.7	38.3	61.7	161.1	38.00	62.00	163.2	77.9	22.1	28.4
1913	58.0	42.0	72.4	53.6	46.4	86.6	51.8	48.2	93.0	37.23	62.77	168.6	75.9	24.1	31.8
1914	55.1	44.9	81.5	50.8	49.2	96.8	43.5	56.5	129.9	33.13	66.87	201.8	72.8	27.2	37.4
1915	52.3	47.7	91.2	53.7	46.3	86.2	43.3	56.7	130.9	31.12	68.88	221.3	72.9	27.1	37.2
1916	54.1	45.9	84.8	57.9	42.1	72.7	44.3	55.7	125.7	33.19	66.81	201.3	76.5	23.5	30.7
1917	54.2	45.8	84.5	56.2	43.8	77.9	49.9	50.1	100.4	35.42	64.58	182.3	80.8	19.2	23.8
1918	35.6	64.4	180.9	40.1	59.9	149.4	40.3	59.7	148.1	30.78	69.22	224.9	75.2	24.8	33.0
1919	40.5	59.5	146.9	42.6	57.4	134.7	35.5	64.5	181.7	33.72	66.28	196.6	73.2	26.8	36.6
1920	36.9	63.1	171.0	43.9	56.1	127.8	38.9	61.1	157.1	37.72	62.28	165.1	60.2	39.8	66.1
1921	31.4	68.6	218.5	48.8	51.2	104.9	34.2	65.8	192.4	32.28	67.72	209.8	56.3	43.7	77.6
1922	26.6	73.4	275.9	53.0	47.0	88.7	36.7	63.3	172.5	30.71	69.29	225.6	61.4	38.6	62.9
Jan.-June 1923	28.6	71.4	249.6	57.8	42.2	73.0	42.4	57.6	135.8	32.92	67.08	203.8	62.6	37.4	59.7
July-Dec. 1923	50.2	49.8	99.2	48.9	51.1	104.5	51.2	48.8	95.3	27.6	72.4	262.3	63.0	37.0	58.8
1924	51.8	48.2	93.1	56.0	44.0	78.6	49.1	50.9	103.7	27.2	72.8	267.6	61.9	38.1	61.6
1925	53.2	46.8	88.0	64.0	36.0	56.2	45.9	54.1	117.9	32.0	68.0	212.5	69.9	30.1	43.1
1926	51.9	48.1	92.7	61.1	38.9	63.7	43.7	56.3	128.8	32.8	67.2	204.9	67.3	32.7	48.6
1927	54.0	46.0	85.2	54.7	45.3	82.8	42.5	57.5	135.3	28.2	71.8	254.6	65.3	34.7	53.1
1928	48.6	51.4	105.8	50.7	49.3	97.2	39.6	60.4	152.5	26.0	74.0	284.6	61.8	38.2	61.8
1929	45.3	54.7	120.8	48.9	51.1	104.5	41.4	58.6	141.5	27.3	72.7	266.3	53.2	46.8	88.0
1930	42.6	57.4	134.7	50.9	49.1	96.5	44.5	55.5	124.7	28.9	71.1	246.0	59.4	40.6	68.4
1931	44.3	55.7	125.7	39.4	60.6	153.8	43.2	56.8	131.5	24.5	75.5	308.2	39.1	60.9	155.8

NOTE.—In the pole line account prior to June 30, 1923 Mr. Sloan does not appear to have made any allowance in his computations for construction joint with C. E. Co. while subsequent to that date he shows a figure purporting to represent such joint construction. He does not separate that figure as between material and labor, and in the above tabulation the ratios in this account subsequent to June 30, 1923, like those prior to that date, do not include the allowance for joint construction.

[fol. 4385]

EXHIBIT X-11

Illinois Bell Telephone Company, Chicago Exchange

1929

Labor Hour Performance on Specific Estimates

Account 242—Exchange Aerial Cable

Item	Quantity	Labor Hours at Level of Specific Estimates 1921-22-23	Extension	Labor Hours at Level of Specific Estimates 1929
Cable:				
19 ga. 51 pr.	4,992	.1096	547	.0694
101 "	9,653	.1305	1,260	.0826
152 "	25	.1516	4	.0960
202 "	3,254	.1712	557	.1084
303 "	11,924½	.2114	2,521	.1339
455 "	1,535	.2681	412	.1698
22 ga. 26 pr.	(10)	.....	....	.....
51 "	2,439	.1082	264	.0685
101 "	3,051½	.1251	382	.0792
152 "	936	.1450	136	.0918
202 "	1,851	.1605	297	.1016
303 "	75	.1951	15	.1235
404 "	2,644	.2296	607	.1454
606 "	2,209	.2979	658	.1886
24 ga. 16 pr.	33	.1082	4	.0685
26 "	150	.1082	16	.0685
51 "	1,705	.1082	184	.0685
76 "	339	.1174	40	.0743
101 "	2,902	.1251	363	.0792
152 "	1,074	.1450	156	.0918
202 "	862½	.1601	138	.1014
303 "	993	.1949	194	.1234
404 "	214	.2295	49	.1453
S. & C. 76 pr.	(28)	.....	....	.....
Terminals:				
14B	4	12.30	49	7.79
14C	42	12.74	535	8.07
14D	6	13.81	83	8.74
16C	323	12.74	4,115	8.07
26C	41	13.81	566	8.74
51B	5	12.91	65	8.17
101B	5	15.89	79	10.06
202B	2	23.84	48	15.10
303B	6	34.77	209	22.02
404B	1	41.71	42	26.41
Total Computed Hours	.....	.....	14,595	
Total Actual Hours	.....	.....	9,242	
Correction Factor	.....	.....	63.32%	

( ) = Red.

[fol. 4386] Illinois Bell Telephone Company, Chicago Exchange

1929

Labor Hour Performance on Specific Estimates

Account 245—Exchange Underground Cable (15C-25C-45C)

Item	Quantity	Labor Hours at Level of Specific Estimates 1921-22-23	Extension	Labor Hours at Level of Specific Estimates 1929
Cable:				
16 ga. 152 pr.	(808)	.2541	(213)	.2498
404 "	11½	.3200	4	.3027
19 ga. 1 pr.	300	.2113	63	.1999
6 "	(5½)	.....	.....	.....
26 "	15	.2210	3	.2090
51 "	449	.2216	100	.2098
76 "	9	.2385	2	.2256
101 "	504½	.2387	120	.2258
202 "	350¼	.2720	95	.2573
303 "	15,077	.3062	4,617	.2896
455 "	62,978½	.3295	20,751	.3117
476 "	14	.3362	5	.3180
606 "	7½	.4039	3	.3820
22 ga. 11 pr.	150	.2113	32	.1999
16 "	555	.2113	117	.1999
26 "	1,388	.2153	299	.2057
51 "	1,199	.2243	269	.2122
76 "	(21)	.....	.....	.....
101 "	453	.2424	110	.2293
152 "	(20)	.....	.....	.....
202 "	4,898	.2778	1,361	.2628
303 "	1,045½	.3127	327	.2958
404 "	1,930	.3477	671	.3289
455 "	(38)	.....	.....	.....
606 "	14,049½	.4115	5,781	.3892
909 "	81,863¼	.5144	42,111	.4866
1212 "	(95)	.....	.....	.....
24 ga. 16 pr.	3	.2113	1	.1999
26 "	314	.2153	68	.2037
51 "	502½	.2243	113	.2122
76 "	725	.2330	169	.2204
101 "	2,990	.2424	725	.2293
152 "	505½	.2596	131	.2456
202 "	4,894	.2778	1,360	.2628
303 "	1,278	.3127	400	.2958
404 "	1,094	.3477	380	.3289
606 "	5,420	.4115	2,230	.3892
909 "	4,793¼	.5144	2,466	.4866
1212 "	187,954¾	.6399	120,272	.6053
1818 "	(68¾)	.....	.....	.....
26 ga. 1818 pr.	37,6651/12	.8909	33,556	.8427

[fol. 4387]

Cable: (Cont'd.)

Spec. 3901

155 pr. { 9 qd. ga. / 55 " 16 " / 27 pr. 19 " } ..... (491) .2641 (130) .2498

Spec. 4457

{ 19 qd. 16 ga.

( ) = Red.

Illinois Bell Telephone Company, Chicago Exchange

1929

Labor Hour Performance on Specific Estimates

Account 245—Exchange Underground Cable (15C-25C-45C)

Item	Quantity	Labor Hours at Level of Specific Estimates 1921–22–23	Extension	Labor Hours at Level of Specific Estimates 1929
280 pr. 120 " 19 " / 1 " 22 "	(489)	.3062	(150)	.2895
140 pr. 60 pr. 14 ga. / 80 " 16 "	(40)	.....	...	.....
307 pr. 27 qd. 16 ga. / 253 pr. 19 "	(32,880)	.3062	(10,068)	.2896
455 pr. 202 pr. 19 ga. / 253 " 22 "	4,646	.3400	1,580	.3216
476 pr. 19 qd. 16 ga. / 54 " 19 " / 1 " 22 " / 328 pr. 22 "	(16,662)	.4115	(6,856)	.3892
480 pr. 75 pr. 16 ga. / 404 " 22 "	17,158	.4902	8,411	.4637
607 pr. 51 pr. 16 ga. / 556 " 22 "	8,433	.5218	4,400	.4936
S. & C. 26 pr.	(39)	.....	...	.....
50 "	40	.4642	19	.4391
101 "	182	.5069	92	.4795
152 "	140	.5488	77	.5191
202 "	8,296¼	.5914	4,906	.5594
303 "	674½	.6769	457	.6403
404 "	2,592	.7624	1,976	.7212
606 "	147	.9285	136	.8783

[fol. 4388]

Terminals:				
11–C	1	11.90	12	11.26
16–C	10	12.32	123	11.65
26–C	(1)	13.35	(13)	12.63
14–C	(1)	12.32	(12)	11.65
14–D	2	13.35	27	12.63
B 101	6	15.37	92	14.54
B 152	1	20.17	20	19.08
B 202	6	23.05	138	21.80
B 303	3	33.62	101	31.80
B 404	2	40.34	81	38.16
Load Coils:				
11–C 75–508	9	49.95	450	47.25
75–T545	5	49.95	250	47.25
75–574B	4	49.95	200	47.25

( ) = Red.

[fol. 4389] Illinois Bell Telephone Company, Chicago Exchange

1929

Labor Hour Performance on Specific Estimates

Account 245—Exchange Underground Cable (15C-25C-45C)

	Item	Quantity	Labor Hours at Level of Specific Estimates 1921-22	Extension	Labor Hours at Level of Specific Estimates 1929
22-C	50-508	8	45.15	361	42.71
	50-T545	4	45.15	181	42.71
	50-574	3	45.15	135	42.71
	50-574B	13	45.15	587	42.71
	50-575	(1)	45.15	(45)	42.71
22-D	50-601	5	45.15	226	42.71
22-E	100-601	6	57.63	346	54.51
	100-612	1	57.63	58	54.51
22-F	50-602	(2)	45.15	(90)	42.71
	50-603	6	45.15	271	42.71
23-D	49-545	1	45.15	45	42.71
Terminals: (Cont'd.)					
23-J	98-508	2	57.63	115	54.51
	98-574B	1	57.63	58	54.51
	98-575B	13	57.63	749	54.51
23-L	75-574B	(1)	49.95	(50)	47.25
23-T	200-612	3	81.64	245	77.22
23-U	100-602	14	57.63	807	54.51
	100-603	1	57.63	58	54.51
	100-613	5	57.63	288	54.51
	200-602	1	81.64	82	77.22
	200-613	2	81.64	163	77.22
23-W	200-613	15	81.64	1,225	77.22
43-A	300-601	2	93.17	186	88.13
43-B	300-602	1	93.17	93	88.13
	300-603	3	93.17	280	88.13
	300-613	29	93.17	2,702	88.13
44-A	300-612	29	93.17	2,702	88.13
44-B	200-612	3	81.64	245	77.22
45-A	100-612	4	57.63	231	54.51
D6934	75-508	4	49.95	200	47.25
	75-574B	2	49.95	100	47.25
D81245	300-612	2	93.17	186	88.13
	300-613	(1)	93.17	(93)	88.13
D86437	6-616	52	19.21	999	18.17
D87809	600-612	8	150.80	1,206	142.64
D87807	600-612	1	150.80	151	142.64

Total Computed Hours 259,821
Total Actual Hours 245,754
Correction Factor 94.59%

( ) = Red.

[fol. 4390] Illinois Bell Telephone Company, Chicago Exchange

99—440

Table Showing Estimate Number and Total Construction Charges in Each, Year 1929

Account 242—Exchange Aerial Cable

Less than $		$0–$99		$100–$499		$500–$1,099		$1,100–$2,499		$2,500–$4,999		Over $5,000	
No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$
38,050	(401)	38,557	35	38,157	448	38,621	973	38,613	1,100	38,637	2,592	39,524	14,463
38,515	(561)	38,580	65	38,623	125	39,126	809	39,101	1,663	39,129	4,617	39,547	6,299
38,599	(12)	38,603	37	39,550	222	39,151	770	39,529	1,327	39,568	3,101	.....	.....
38,614	(21)	39,127	4	39,612	144	39,579	712	39,549	1,363	.....	.....	.....	.....
.....	.....	39,146	58	.....	.....	39,588	766	39,576	2,443	.....	.....	.....	.....
.....	.....	39,546	3	.....	.....	39,595	932	39,614	1,819	.....	.....	.....	.....
Totals..... 4	$(995)	6	$202	4	$939	6	$4,962	6	$9,715	3	$10,310	2	$20,762

Group	No. of Estimates	% of Total	Cumulative %	Total Construction Charges	% of Total	Cumulative %	Average Dollars in Group
Less than $0.....	4	12.91	12.91	$(995)	(2.17)	(2.17)	(249)
$0–$99.....	6	19.35	32.26	202	.44	(1.73)	34
100–499.....	4	12.91	45.17	939	2.05	.32	235
500–1,099.....	6	19.35	64.52	4,962	10.81	11.13	827
1,100–2,499.....	6	19.35	83.87	9,715	21.17	32.30	1,619
2,500–4,999.....	3	9.68	93.55	10,310	22.46	54.76	3,437
Over–5,000.....	2	6.45	100.00	20,762	45.24	100.00	10,381
Totals.....	31	100.00%	.....	$45,895	100.00%	.....	$1,480

( ) = Red.

3883

[fol. 4391]

Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Total Labor Hours in Each, Year 1929

Account 242—Exchange Aerial Cable

Less than 0 Hrs.		0–19		20–99		100–199		200–499		500–999		1,000–1,999		Over 2,000	
No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.
38,050	(310)	38,580	15	38,557	24	38,621	104	38,637	461	39,129	606	39,547	1,810	39,524	2,361
38,515	(55)	38,599	4	38,603	28	39,101	185	38,613	331	39,549	575	.....	.....	.....	.....
.....	.....	39,127	2	38,614	24	39,126	156	39,529	402	39,576	653	.....	.....	.....	.....
.....	.....	39,146	5	38,623	28	39,151	118	39,568	377	.....	.....	.....	.....	.....	.....
.....	.....	39,546	1	39,612	46	39,579	188	39,595	286	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	39,588	178	39,614	421	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	39,550	118	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	38,157	100	.....	.....	.....	.....	.....	.....	.....	.....
Totals..... 2	(365)	5	27	5	150	8	1,147	6	2,278	3	1,834	1	1,810	1	2,361

Group	No. of Estimates	% of Total	Cumulative %	Total Hours	% of Total	Cumulative %	Average Amount in Group
Less than 0 Hrs.	2	6.45	6.45	(365)	(3.95)	(3.95)	(182)
0–19 "	5	16.13	22.58	27	.29	(3.66)	5
20–99 "	5	16.13	38.71	150	1.62	(2.04)	30
100–199 "	8	25.80	64.51	1,147	12.41	10.37	143
200–499 "	6	19.35	83.86	2,278	24.65	35.02	380
500–999 "	3	9.68	93.54	1,834	19.84	54.86	611
1000–1999 "	1	3.23	96.77	1,810	19.58	74.44	1,810
Over–2000 "	1	3.23	100.00	2,361	25.56	100.00	2,361
Totals	31	100.00	.....	9,242	100.00	.....	298

(Here follow side folios 4392 and 4393)

[fol. 4392]

Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Total Construction Charges in Each, Year 1929

Account 245 (15C—Main Cable), Exchange Underground Cable

Less than $0		$0–$19		$20–$99		$100–$299		$300–$799		$800–$1,499		$1,500–$2,999		$3,000–$4,999		$5,000–$9,999		$10,000–$14,999		$15,000–$24
No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.
26,147	(2,175)	38,105	1	27,060	34	27,218	237	38,158	373	38,109	1,040	38,159	2,343	27,235	3,284	27,197	7,928	38,609	14,645	38,153	16
26,225	(7,846)	38,121	2	38,139	81	27,245	269	38,517	564	38,137	1,136	38,534	1,814	38,162	4,538	38,156	6,855	38,639	12,988	38,154	21
27,171	(91)	38,541	9	38,524	30	38,108	194	39,104	748	39,140	812	39,128	2,998	38,557	3,710	38,157	9,576	39,109	11,138	38,155	18
27,174	(401)	38,603	12	38,550	62	38,160	139	39,129	391	39,518	916	39,141	2,721	38,569	4,894	38,623	9,239	39,111	14,089	38,161	24
27,237	(4)	39,305	12	38,614	24	38,529	180	38,155	363	39,525	1,416	39,534	2,635	38,621	4,904	39,522	5,698	39,120	13,596	38,613	15
27,238	(70)	39,117	5	39,152	55	38,558	147	39,620	409	39,579	994	39,563	1,663	38,626	4,769	39,560	6,870	39,134	10,583	27,235	15
38,104	(11)	39,121	9	39,588	53	38,591	255	.....	.....	39,613	1,400	39,595	2,259	39,523	3,303	39,185	8,689	39,505	11,603	39,125	17
38,106	(43)	39,137	9	39,594	44	38,637	171	.....	.....	39,622	923	.....	.....	39,650	3,221	39,575	7,011	39,506	12,310	39,126	21
38,110	(1,717)	39,527	3	38,050	21	39,151	117	.....	.....	.....	.....	.....	.....	39,561	3,571	.....	.....	39,513	13,908	39,131	24
38,503	(98)	39,546	4	.....	.....	39,153	269	.....	.....	.....	.....	.....	.....	39,568	4,298	.....	.....	39,529	10,978	39,136	20
38,506	(679)	39,597	12	.....	.....	39,603	166	.....	.....	.....	.....	.....	.....	39,576	3,074	.....	.....	39,536	11,945	39,146	22
38,507	(429)	39,578	6	.....	.....	39,617	203	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	39,538	12,420	39,514	20
38,527	(22)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	39,545	10,314	39,520	15
38,556	(7)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	39,549	11,448	39,548	22
38,596	(56)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	39,564	10,094	.....	.....
38,116	(38)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Totals 16	$(13,687)	12	$84	9	$404	12	$2,347	6	$2,848	8	$8,637	7	$16,433	11	$43,566	8	$61,866	15	$182,059	14	$274

Group	No. of Estimates	% of Total	Cumulative %	Total Construction Charges	% of Total	Cumulative %	Average Do in Grou
Less than $0	16	13.01%	13.01%	$(13,687)	(1.61)%	(1.61)%	$(85
From $ 0 to $ 19	12	9.76	22.77	84	.01	(1.60)	
" 20 " 99	9	7.32	30.09	404	.05	(1.55)	4
" 100 " 299	12	9.76	39.85	2,347	.28	(1.27)	19
" 300 " 799	6	4.88	44.73	2,848	.33	(.94)	47
" 800 " 1,499	8	6.50	51.23	8,637	1.01	.07	1,07
" 1,500 " 2,999	7	5.62	56.92	16,433	1.93	2.00	2,34
" 3,000 " 4,999	11	8.94	65.86	43,566	5.11	7.11	3,96
" 5,000 " 9,999	8	6.50	72.36	61,866	7.26	14.37	7,73
" 10,000 " 14,999	15	12.20	84.56	182,059	21.35	35.72	12,13
" 15,000 " 24,999	14	11.38	95.94	274,982	32.25	67.97	19,64
" 25,000 " 50,000	4	3.25	99.19	140,486	16.48	84.45	35,12
Over 50,000	1	.81	100.00	132,609	15.55	100.00	132,60
Totals	123	100.00	.....	$852,634	100.00	.....	$6,93

67 Estimates are under $2,500.00 = 54% of total number = 1.02% of total charges.

( ) = Red.

Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Total Construction Charges in Each, Year 1929

Account 245 (15C—Main Cable), Exchange Underground Cable

$0–$99		$100–$299		$300–$799		$800–$1,499		$1,500–$2,999		$3,000–$4,999		$5,000–$9,999		$10,000–$14,999		$15,000–$24,999		$25,000–$50,000		Over $50,000	
$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$
34	27,218	237	38,158	373	38,109	1,040	38,159	2,343	27,235	3,284	27,197	7,928	38,609	14,645	38,153	16,870	39,101	27,497	39,103	132,609		
81	27,245	269	38,515	564	38,137	1,136	38,534	1,814	38,162	4,538	38,156	6,855	38,639	12,988	38,154	21,915	39,124	43,555				
30	38,108	194	39,104	748	39,140	812	39,128	2,998	38,557	3,710	38,157	9,576	39,109	11,138	38,155	15,803	39,127	40,498				
62	38,160	139	39,129	391	39,518	916	39,141	2,721	38,569	4,894	38,623	9,239	39,111	14,089	38,161	24,786	39,584	28,936				
24	38,529	180	38,155	363	39,525	1,416	39,534	2,635	38,621	4,904	39,522	5,698	39,120	13,596	38,613	15,809						
55	38,558	147	39,620	409	39,579	994	39,563	1,663	38,626	4,769	39,560	6,870	39,134	10,583	27,235	15,050						
53	38,591	255			39,613	1,400	39,595	2,259	39,523	3,303	39,135	8,689	39,505	11,603	39,125	17,427						
44	38,637	171			39,622	923			39,650	3,221	39,575	7,011	39,506	12,310	39,126	21,632						
21	39,151	117							39,561	3,571			39,513	13,908	39,131	24,593						
	39,153	269							39,568	4,298			39,529	10,978	39,136	20,231						
	39,603	166							39,576	3,074			39,536	11,945	39,146	22,600						
	39,617	203											39,538	12,420	39,514	20,443						
													39,545	10,314	39,520	15,241						
													39,549	11,448	39,548	22,582						
													39,564	10,094								
$404	12	$2,347	6	$2,848	8	$8,637	7	$16,433	11	$43,566	8	$61,866	15	$182,059	14	$274,982	4	$140,486	1	$132,609		

Group	No. of Estimates	% of Total	Cumulative %	Total Construction Charges	% of Total	Cumulative %	Average Dollars in Group
an $0	16	13.01%	13.01%	$(13,687)	(1.61)%	(1.61)%	$(855)
$ 0 to $ 19	12	9.76	22.77	84	.01	(1.60)	7
20 " 99	9	7.32	30.09	404	.05	(1.55)	45
100 " 299	12	9.76	39.85	2,347	.28	(1.27)	196
300 " 799	6	4.88	44.73	2,848	.33	(.94)	475
800 " 1,499	8	6.50	51.23	8,637	1.01	.07	1,079
1,500 " 2,999	7	5.62	56.92	16,433	1.93	2.00	2,348
3,000 " 4,999	11	8.94	65.86	43,566	5.11	7.11	3,960
5,000 " 9,999	8	6.50	72.36	61,866	7.26	14.37	7,733
10,000 " 14,999	15	12.20	84.56	182,059	21.35	35.72	12,137
15,000 " 24,999	14	11.38	95.94	274,982	32.25	67.97	19,642
25,000 " 50,000	4	3.25	99.19	140,486	16.48	84.45	35,121
Over 50,000	1	.81	100.00	132,609	15.55	100.00	132,609
Totals	123	100.00		$852,634	100.00		$6,932

mates are under $2,500.00 = 54% of total number = 1.02% of total charges.

d.

[fol. 4393]

Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Total Labor Hours in Each, Year 1929

Account 245 (15C-Main), Exchange Underground Cable

Less than 0 Hrs.		0-9		10-49		50-99		100-199		200-399		400-799		800-1,499		1,500-2,499		2,500-4,000		Over 4,000	
No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs
26,147	(470)	27,171	6	27,060	10	27,197	69	38,108	116	38,158	256	38,109	558	38,157	1,008	38,154	2,167	38,153	2,769	39,103	43,171
26,225	(18)	27,218	9	27,238	12	27,245	54	38,591	189	39,140	320	38,137	576	38,161	1,456	38,155	1,502	38,639	2,967		
27,174	(168)	38,104	4	38,503	15	38,139	94	38,637	104	39,525	248	38,557	576	38,162	965	38,609	2,107	39,101	3,403		
27,237	(2)	38,105	1	38,524	16	38,160	92	39,129	117	39,563	341	39,104	413	38,534	888	38,613	2,059	27,235	2,691		
38,050	(208)	38,110	1	38,529	14	38,515	55	39,518	152	39,613	280	39,146	444	38,569	945	39,125	2,316	39,124	3,914		
38,106	(31)	38,121	1	38,550	30	39,151	74	39,579	178			39,523	692	38,621	852	39,136	1,865	39,126	2,702		
38,506	(100)	27,255	2	38,603	22	39,603	68	39,588	124			39,534	520	38,623	1,463	39,505	1,752	39,127	3,366		
38,507	(542)	38,541	4	39,152	35	39,620	58	39,617	125			39,550	588	38,626	920	39,506	1,656	39,514	2,574		
38,527	(16)	38,558	2	39,153	38							39,561	567	39,109	1,394	39,513	1,867	39,520	2,782		
38,556	(4)	38,614	3	39,155	49							39,568	420	39,128	1,060	39,536	1,813	39,584	3,824		
38,596	(41)	38,156	7	39,594	19							39,576	788	39,131	1,379	39,538	1,663				
38,116	(25)	39,117	3									39,595	515	39,134	1,027	39,545	1,750				
		39,121	5									39,622	401	39,141	1,193	39,548	2,381				
		39,137	5											39,522	1,167	39,549	2,344				
		39,305	6											39,529	1,303	39,564	2,035				
		39,527	1											39,560	1,058	39,135	1,658				
		39,546	1											39,575	1,450	39,111	2,318				
		39,597	8											38,159	810						
		39,578	4											39,120	1,433						
Totals 12	(1,625)	19	73	11	260	8	564	8	1,105	5	1,445	13	7,058	19	21,771	17	33,193	10	30,992	1	43,171

Group	No. of Estimates	% of Total	Cumulative %	Total Labor Hours	% of Total	Cumulative %	Average Hours in Group
Less than 0 Hrs	12	9.76	9.76	(1,625)	(1.18)	(1.18)	(1,354)
0-9 "	19	15.45	25.21	73	.05	(1.13)	4
10-49 "	11	8.94	34.15	260	.19	(.94)	24
50-99 "	8	6.50	40.65	564	.41	(.53)	70
100-199 "	8	6.50	47.15	1,105	.80	.27	138
200-399 "	5	4.07	51.22	1,445	1.05	1.32	289
400-799 "	13	10.57	61.79	7,058	5.11	6.43	543
800-1,499 "	19	15.45	77.24	21,771	15.78	22.21	1,146
1,500-2,499 "	17	13.82	91.06	33,193	24.05	46.26	1,953
2,500-4,000 "	10	8.13	99.19	30,992	22.46	68.72	3,099
Over 4,000 "	1	.81	100.00	43,171	31.28	100.00	43,171
Totals	123	100.00%		138,007	100.00%		1,122

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Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Total Construction Charges in Each, Year 1929

Account 245 (25C Subsidiary), Exchange Underground Cable

Less than $0		$0–$99		$100–$249		$250–$599		$600–$1,399		$1,400–$2,499		Over $2,500	
No.	$	No.	$	No.	$	No.	$	No.	$	No.	$	No.	$
27,134	(17)	38,136	5	38,139	326	39,101	336	38,158	729	39,549	2,104	39,126	2,511
27,060	(19)	38,159	64	38,162	181	39,104	584	38,160	771	.....	.....	39,612	5,006
27,197	(28)	38,510	89	38,591	121	39,109	395	38,557	690	.....	.....	.....	.....
27,218	(25)	38,623	57	38,621	113	39,550	545	39,547	720	.....	.....	.....	.....
27,238	(28)	39,129	80	38,637	148	39,579	489	32,568	1,141	.....	.....	.....	.....
27,245	(43)	39,525	54	38,613	227	39,588	382	39,576	1,167	.....	.....	.....	.....
27,252	(116)	39,536	83	27,235	184	.....	.....	.....	.....	.....	.....	.....	.....
38,050	(206)	39,565	2	39,103	179	.....	.....	.....	.....	.....	.....	.....	.....
38,104	(4)	39,613	75	39,151	124	.....	.....	.....	.....	.....	.....	.....	.....
38,108	(178)	.....	.....	39,563	168	.....	.....	.....	.....	.....	.....	.....	.....
38,109	(15)	.....	.....	39,595	103	.....	.....	.....	.....	.....	.....	.....	.....
38,137	(67)	.....	.....	39,617	201	.....	.....	.....	.....	.....	.....	.....	.....
38,541	(5)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
38,558	(53)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
38,569	(372)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
39,128	(59)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Totals 16	$(1,235)	9	$509	12	$1,975	6	$2,731	6	$5,218	1	$2,104	2	$7,517

Group	No. of Estimates	% of Total	Cumulative %	Total Construction Charges	% of Total	Cumulative %	Average Dollars in Group
Less than $0	16	30.76	30.76	$(1,235)	(6.56)	(6.56)	$(77)
From $ 0 to $ 99	9	17.31	48.07	509	2.70	3.86	56
" 100 " 249	12	23.08	71.15	1,975	10.49	6.63	165
" 250 " 599	6	11.54	82.69	2,731	14.51	21.14	455
" 600 " 1399	6	11.54	94.23	5,218	27.73	48.87	869
" 1400 " 2499	1	1.92	96.15	2,104	11.18	60.05	2,104
Over 2500	2	3.85	100.00	7,517	39.95	100.00	3,758
Total	52	100.00	.....	$18,819	100.00	.....	$362

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Illinois Bell Telephone Company, Chicago Exchange

Table Showing Estimate Number and Labor Hours in Each, Year 1929

Account 245 (25C Subsidiary), Exchange Underground Cable

Less than 0		0–9		10–24		25–49		50–99		100–249		250–499		Over 500	
No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.	No.	Hrs.
27,134	(22)	27,197	1	38,162	16	38,159	38	38,139	86	38,160	111	39,568	446	39,126	722
27,060	(2)	38,136	4	38,557	20	39,101	47	38,158	58	27,235	125	.....	....	39,549	642
27,218	(3)	38,613	6	38,591	21	39,104	41	38,510	69	39,103	110	.....	....	39,612	1,499
27,238	(10)	39,151	5	38,621	13	39,109	48	39,550	84	39,128	223	.....	....	.....	.....
27,245	(38)	39,536	6	38,623	13	39,129	26	39,579	93	39,547	124	.....	....	.....	.....
27,252	(16)	39,565	1	38,637	15	.....	....	39,588	68	39,576	234	.....	....	.....	.....
38,050	(162)	39,613	4	39,525	10	.....	....	39,595	77	.....	....	.....	....	.....	.....
38,104	(4)	.....	....	39,563	17	.....	....	39,617	60	.....	....	.....	....	.....	.....
38,108	(105)	.....	....	.....	....	.....	....	.....	....	.....	....	.....	....	.....	.....
38,109	(9)	.....	....	.....	....	.....	....	.....	....	.....	....	.....	....	.....	.....
38,137	(18)	.....	....	.....	....	.....	....	.....	....	.....	....	.....	....	.....	.....
38,541	(4)	.....	....	.....	....	.....	....	.....	....	.....	....	.....	....	.....	.....
38,558	(20)	.....	....	.....	....	.....	....	.....	....	.....	....	.....	....	.....	.....
38,569	(223)	.....	....	.....	....	.....	....	.....	....	.....	....	.....	....	.....	.....
Totals... 14	(636)	7	27	8	125	5	200	8	595	6	927	1	446	3	2,863

Group	No. of Estimates	% of Total	Cumulative %	Total Labor Hours	% of Total	Cumulative %	Average Hours in Group
Less than 0 Hrs.....	14	26.93	26.93	(636)	(13.99)	(13.99)	45
0–9 "	7	13.46	40.39	27	.59	(13.40)	4
10–24 "	8	15.38	55.77	125	2.75	(10.65)	16
25–49 "	5	9.62	65.39	200	4.40	(6.25)	40
50–99 "	8	15.38	80.77	595	13.09	6.84	74
100–249 "	6	11.54	93.31	927	20.39	27.23	154
250–499 "	1	1.92	94.23	446	9.81	37.04	446
Over 500 "	3	5.77	100.00	2,863	62.96	100.00	954
Total.....	52	100.00%	.....	4,547	100.00%	.....	87

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[fol. 4396] EXHIBIT X-12

Illinois Bell Telephone Company, Chicago Exchange

June 30, 1923, Portion of December 31, 1929, Appraisal Priced on Basis of Wholesale Construction and 1929 Material and Labor Cost Levels

	June 30, 1923, Appraisal at December 31, 1929, Level		
	Appraisal Method	Company Experience	% of Appraisal Method
Account 242—Exchange Aerial Cable...	$4,184,407	$3,098,381	74.05
Account 245—Exchange U. G. Cable....	22,594,404	20,731,950	91.76
Total	$26,778,811	$23,830,331	88.99

[fol. 4397] Illinois Bell Telephone Company, Chicago Exchange

Adjustment of June 30, 1923, Portion of December 31, 1929, Appraisal to Reflect Actual Change in Labor Performance

Account 242—Exchange Aerial Cable

	Sloan	Wray
Company Appraisal as of June 30, 1923.....	$3,885,604	$3,885,604
Ratio Dec. 31, 1929 to June 30, 1923 Cost Level.	107.69	79.74
Company Appraisal as of June 30, 1923 at Cost Level of Dec. 31, 1929.....	$4,184,407	$3,098,381
Difference—Amount	$1,086,026	
" —%	35.05	

[fol. 4398] Illinois Bell Telephone Company, Chicago Exchange

Composite Material and Labor Cost Trend

Account 242—Exchange Aerial Cable

1929

	Sloan	Wray
Ratio Dec. 31, 1929 to June 30, 1923 Cost of Material..	85.26	85.26
" " " " " " " " " " Labor.....	128.41	128.41
Ratio Specific Estimate Labor Performance to Specific and Routine Combined (1921-3 study).....	.....	.912
Labor Ratio at Level of Specific Estimate Performance	.....	117.11
Ratio 1929 to 1923 Number of Labor Hours Required..	.....	.6332
Labor Ratio Adjusted to Level of 1929 Labor Performance	.....	74.15
Percent of Total Cost—Material.....	48.0	50.3*
" " " " —Labor	52.0	49.7*
Ratio Dec. 31, 1929 Cost of Material and Labor at Level of Specific Estimate Performance to Level Used in Plaintiff's Exhibit No. 1.....	107.69	79.74

*Based on percentages used in Plaintiff's Exhibit A-8, with adjustments corresponding to labor decrease to level of specific estimate performance.

[fol. 4399] Illinois Bell Telephone Company, Chicago Exchange

Development of Material and Labor Indices from Plaintiff's Exhibits A-2 to A-10, Inclusive

Account 242—Exchange Aerial Cable

Date of Appraisal	Material		Labor	
	Chain Index (a)	Index on June 30, 1923, Base (b)	Chain Index (a)	Index on June 30, 1923, Base (b)
June 30, 1923	100.00	100.00	100.00	100.00
Dec. 31, 1923	96.77	96.77	101.61	101.61
Dec. 31, 1924	101.19	97.92	104.21	105.89
Dec. 31, 1925	101.45	99.34	99.19	105.03
Dec. 31, 1926	91.24	90.64	101.02	106.10
Dec. 31, 1927	93.46	84.71	104.84	111.24
Dec. 31, 1928	93.42	79.14	105.98	117.89
Dec. 31, 1929	107.73	85.26	108.92	128.41
Dec. 31, 1930	91.86	78.32	103.71	133.17
Dec. 31, 1931	98.54	77.18	100.00	133.17

Notes:

(a) Taken from Plaintiff's Exhibits Nos. A-2 to A-10, inclusive.
(b) Computed from Col. (a).

[fol. 4400] Illinois Bell Telephone Company, Chicago Exchange

Adjustment of June 30, 1923, Portion of December 31, 1929, Appraisal to Reflect Actual Change in Labor Performance

Account 245—Exchange Underground Cable

	Sloan	Wray
Company Appraisal as of June 30, 1923	$20,244,068	$20,244,068
Ratio Dec. 31, 1929 to June 30, 1923 Cost Level	111.61	102.41
Company Appraisal as of June 30, 1923 at Cost Level of Dec. 31, 1929	$22,594,404	$20,731,950
Difference—Amount	$1,862,454	
" —%	8.98	

[fol. 4401] Illinois Bell Telephone Company, Chicago Exchange

Composite Material and Labor Cost Trend

Account 245—Exchange Underground Cable

1929

	Sloan	Wray
Ratio Dec. 31, 1929 to June 30, 1923 Cost of Material	97.86	97.86
" " " " " " " " " " Labor	135.02	111.96
Per cent of Total Cost—Material	63.0	67.7*
" " " " " —Labor	37.0	32.3*
Ratio Dec. 31, 1929 to June 30, 1923 Cost of Material and Labor	111.61	102.41

* Based on percentages used in Plaintiff's Exhibit A-8, with adjustments corresponding to labor decrease to level of specific estimate performance.

[fol. 4402] Illinois Bell Telephone Company, Chicago Exchange

Computation of Labor Costs Used in Plaintiff's Exhibit No. A-2

Account 245—Exchange Underground Cable

Cost of Reproduction June 30, 1923 (Ptf. Exh. A-2, page 3)	$20,244,068
Per cent of Total Cost—Labor (" " " " 54)	25.8
Labor Cost	5,222,970
Underground Cable Gang—% (Ptf. Exh. A-2, page 58)	71.5
Building Cable Gang—% (" " " " " ")	28.5
Underground Cable Labor at Cost Level of June 30, 1923	3,734,424
Building Cable Labor " " " " " " "	1,488,546
Ratio Dec. 31, 1929 to June 30, 1923 Cost of Labor—Underground Cable Gang	1.3622
Ratio Dec. 31, 1929 to June 30, 1923 Cost of Labor—Building Cable Gang	1.3081
June 30, 1923 Labor at Cost Level of Dec. 31, 1929—Underground Cable	5,087,032
June 30, 1923 Labor at Cost Level of Dec. 31, 1929—Building Cable	1,947,167
Ratio Specific Estimate Labor Performance to Specific and Routine Combined (1921-3 Study)—Underground Cable	.8106
Labor Ratio at Level of Specific Estimate Performance	1.1042
Ratio 1929 to 1923 Number of Labor Hours Required	.9459
Labor Ratio Adjusted to Level of 1929 Labor Performance	1.0445
June 30, 1923 Labor Cost at Level of 1929 Specific Estimate Performance—Underground Cable	3,900,606
June 30, 1923 Labor Cost at 1929 Level (as above)—Building Cable	1,947,167
Total June 30, 1923 Labor Cost at 1929 Level	$5,847,773
Ratio Dec. 31, 1929 to June 30, 1923 Labor Cost—Total Account	1.1196

[fol. 4403] Illinois Bell Telephone Company, Chicago Exchange

Development of Material and Labor Indices from Plaintiff's Exhibits A-2 to A-10, Inclusive

Account 245—Exchange Underground Cable

Date of Appraisal	Material		Labor	
	Chain Index (a)	Index on June 30, 1923 Base (b)	Chain Index (a)	Index on June 30, 1923 Base (b)
June 30, 1923	100.00	100.00	100.00	100.00
Dec. 31, 1923	102.01	102.01	100.36	100.36
Dec. 31, 1924	100.47	102.49	105.68	106.06
Dec. 31, 1925	103.54	106.12	98.96	104.96
Dec. 31, 1926	91.73	97.34	101.55	106.59
Dec. 31, 1927	93.69	91.20	105.84	112.81
Dec. 31, 1928	93.58	85.34	108.47	122.37
Dec. 31, 1929	114.67	97.86	110.34	135.02
Dec. 31, 1930	82.96	81.18	103.82	140.18
Dec. 31, 1931	100.06	81.23	100.00	140.18

Notes:

(a) Taken from Plaintiff's Exhibits Nos. A-2 to A-10 inclusive.
(b) Computed from Col. (a).

[fol. 4404] Illinois Bell Telephone Company, Chicago Exchange

Development of Labor Indices from Plaintiff's Exhibits A-2 to A-10, Inclusive

Account 245—Exchange Underground Cable

Date	Underground Cable Gang Amount (a)	Chain Index (b)	Index on June 30, 1923 Base (c)	Building Cable Gang Amount (a)	Chain Index (b)	Index on June 30, 1923 Base (c)
6-30-23	$6,598.61	100.00	100.00	$1,302.93	100.00	100.00
12-31-23	6,622.01	100.35	100.35	1,307.65	100.36	100.30
12-31-28	6,969.88	105.25	105.62	1,449.89	110.88	111.28
12-31-25	6,885.95	98.80	104.35	1,459.78	100.68	112.04
12-31-26	6,984.98	101.44	105.85	1,499.31	102.71	115.07
12-31-26	6,939.58			2,223.58		
12-31-27	7,386.75	106.44	112.67	2,268.14	102.00	117.37
12-31-28	8,077.63	109.35	123.20	2,326.13	102.56	120.37
12-31-29	8,931.66	110.57	136.22	2,527.91	108.67	130.81
12-31-30	9,269.32	103.78	141.37	2,632.17	104.12	136.20
12-31-31	9,269.32	100.00	141.37	2,632.17	100.00	136.20

Notes:
(a) Taken from Plaintiff's Exhibits Nos. A-2 to A-10 inclusive.
(b) Computed from Co. (a).
(c) " " " (b).

[fol. 4405] EXHIBIT X-12-A

Effect of Assumed Errors in Percentages of Increase in Labor Costs in Plaintiff's Exhibits A-2 to A-10, Inclusive

Account 242—Exchange Aerial Cable

	Index on Assumption of 1% Error in Chain Index		Index on Assumption of 2% Error in Chain Index	
	Chain	6-30-23	Chain	6-30-23
6-30-23	100.00	100.00	100.00	100.00
12-31-23	100.59	100.59	99.58	99.58
4	103.17	103.78	102.13	101.70
5	98.20	101.91	97.21	98.86
6	100.01	101.92	99.00	97.87
7	103.79	105.78	102.74	100.55
8	104.92	110.98	103.86	104.43
9	107.83	119.67	106.74	111.47
30	102.87	122.87	101.64	113.30
1	99.00	121.64	98.00	111.03

Index on Assumption of Error in 1923 Only

	2 Point Error		3 Point Error	
6-30-23	100.00	100.00	100.00	100.00
12-31-23	99.61	99.61	98.61	98.61
4	104.21	103.80	104.21	102.76
5	99.19	102.96	99.19	101.93
6	101.02	104.01	101.02	102.97
7	104.84	109.04	104.84	107.95
8	105.98	115.56	105.98	114.41
9	108.92	125.87	108.92	124.62
30	103.71	130.54	103.71	129.24
1	100.00	130.54	100.00	129.24

[fol. 4406]

EXHIBIT X-13

Illinois Bell Telephone Company, Chicago Exchange

Comparison Between Apparatus Prices as Used in Sloan Appraisal and as Furnished by Mr. Gregory (December 31st of Each Year)

Year	C. C. E. Account 221 (a)	Station Apparatus Account 231 (b)	P. B. X. Account 234 (c)	Total Apparatus from Sloan Appraisal (d)	Gregory Statement "B" (e)
1923..	100.00	100.00	100.00	100.00	100.00
1924..	92.5	101.0	98.4	98.2	94.3
1925..	92.1	103.3	98.3	95.6	93.3
1926..	82.2	94.8	95.9	89.2	85.2
1927..	78.5	94.1	91.9	89.5	81.0
1928..	71.8	88.1	85.8	79.9	72.7
1929..	69.0	75.2	79.5	72.1	66.5
1930..	78.3	74.7	86.2	79.0	73.2
1931..	78.7	75.5	86.3	78.8	

[fol. 4407]

Comparison Between Western Electric Experience and Sloan Appraisal on Central Office Telephone Equipment Installation Costs and Equipment Specification Costs

	Manual Equipment			Dial Equipment		
	Western Electric Average	Sloan Appraisal		Western Electric Average	Sloan Appraisal	
	Index	Index	% Sloan Index of W. E. Index	Index	Index	% Sloan Index of W. E. Index
Installation Costs						
1923...	100.0	100.0	100.0	100.0	100.0	100.0
1924...	97.1	98.7	101.6	130.7	98.44	75.3
1925...	88.3	96.4	109.2	92.6	96.06	103.7
1926...	81.9	93.1	113.7	79.5	93.55	117.7
1927...	74.9	89.7	119.8	67.0	91.70	136.9
1928...	69.0	88.9	128.8	63.0	89.66	142.3
1929...	63.7	86.9	136.4	58.5	88.43	151.2
1930...	62.6	86.4	138.0	54.5	87.40	160.4
Equipment Specification Costs						
1923...	100.0	100.0	100.0	100.0	100.0	100.0
1924...	105.3	96.0	91.2	169.3	95.4	56.3
1925...	81.3	91.2	112.2	165.4	91.3	55.2
1926...	58.5	85.6	146.3	97.4	83.6	85.8
1927...	51.6	79.2	153.5	78.7	79.9	101.5
1928...	47.7	75.6	158.5	72.6	77.2	106.3
1929...	44.5	70.8	159.1	66.1	72.0	108.9
1930...	44.0	67.9	154.3	61.3	68.5	111.7

[fol. 4408] EXHIBIT X-13A

Statement B

Estimated Effect of Price Changes on Apparatus and Equipment Sold to Bell Company, 1921–1930

	Tel. Apparatus Sales at Preceding Year's Dec. 31st Prices	Effect of Price Change Made Each Year (Annual Basis)	% Price Change (Annual Basis)	Price Level at End of Year
12/31/20				100.0
1921	$70,015,000	(−$1,200,000)	(− 1.7)	98.3
1922	82,010,000	(− 8,800,000)	(−10.7)	87.8
1923	86,450,000	+ 200,000	+ 0.2	88.0
1924	109,670,000	(− 6,100,000)	(− 5.6)	83.0
1925	97,690,000	(− 1,100,000)	(− 1.1)	82.1
1926	107,870,000	(− 9,400,000)	(− 8.7)	75.0
1927	101,740,000	(− 5,000,000)	(− 4.9)	71.3
1928	112,240,000	(−11,500,000)	(−10.3)	64.0
1929	145,980,000	(−12,500,000)	(− 8.6)	58.5
1930	140,690,000	+14,400,000	+10.2	64.4

		Effect in 1930 of 1930 Changes	Average Increase Actually Effective in 1930	Average 1930 Price Level
1930 Sales at Average 1930 Prices	$143,040,000	+$2,350,000	+1.7	59.5
1930 Sales at Average 1930 Prices				$143,040,000
1930 Sales at 12/31/30 Prices		143,040,000		240,605,000
		595		

Cumulative effect of Price Changes since 12/31/20 in 1930 Volume ... 97,565,000

RAL:ID. 1/14/32.

Note.—The above is a complete copy of a table (Statement B) included in the supporting data and working papers made available on January 15th in response to my letter of January 11th to Mr. Gregory in reference to Statement A bearing the same title but on a non-cumulative basis.

EEH.

[fol. 4409] EXHIBIT X-13B

Price Trend on Installation Work Performed for Bell Telephone Companies, 1923-1925=100

	Manual	Panel	Step-by-Step	Total
Weights	64.8	25.3	9.9	100.0
1920	132.8	113.9*	111.5*	125.9
1921	132.8	62.2	139.4	115.6
1922	111.3	62.2	117.2	99.5
1923	105.1	92.8	109.5	102.4
1924	102.0	121.3	106.9	107.4
1925	92.8	85.9	83.6	90.1
1926	86.1	73.8	72.3	81.6
1927	78.7	62.2	64.5	73.1
1928	72.5	58.5	60.9	67.8
1929	67.0	54.3	60.4	63.1
1930	65.8	50.6	59.9	61.4

* Assumed to be same as Manual on 1914 base.

(Here follow side folios 4410-4419)

10 YEARS BY MONTHS. PLAIN RULING. NO. 3188
CODEX BOOK CO. INC., NEW YORK

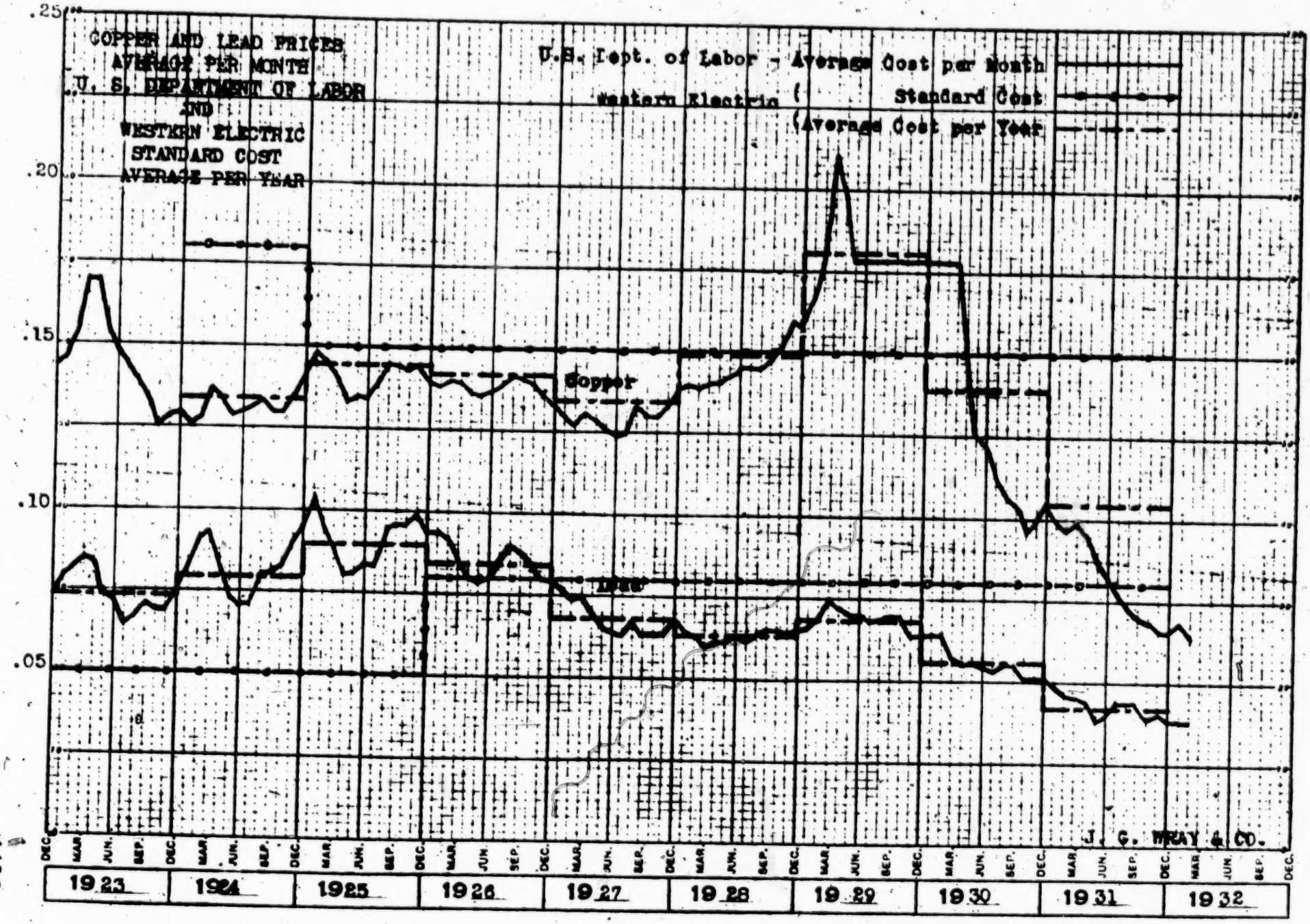
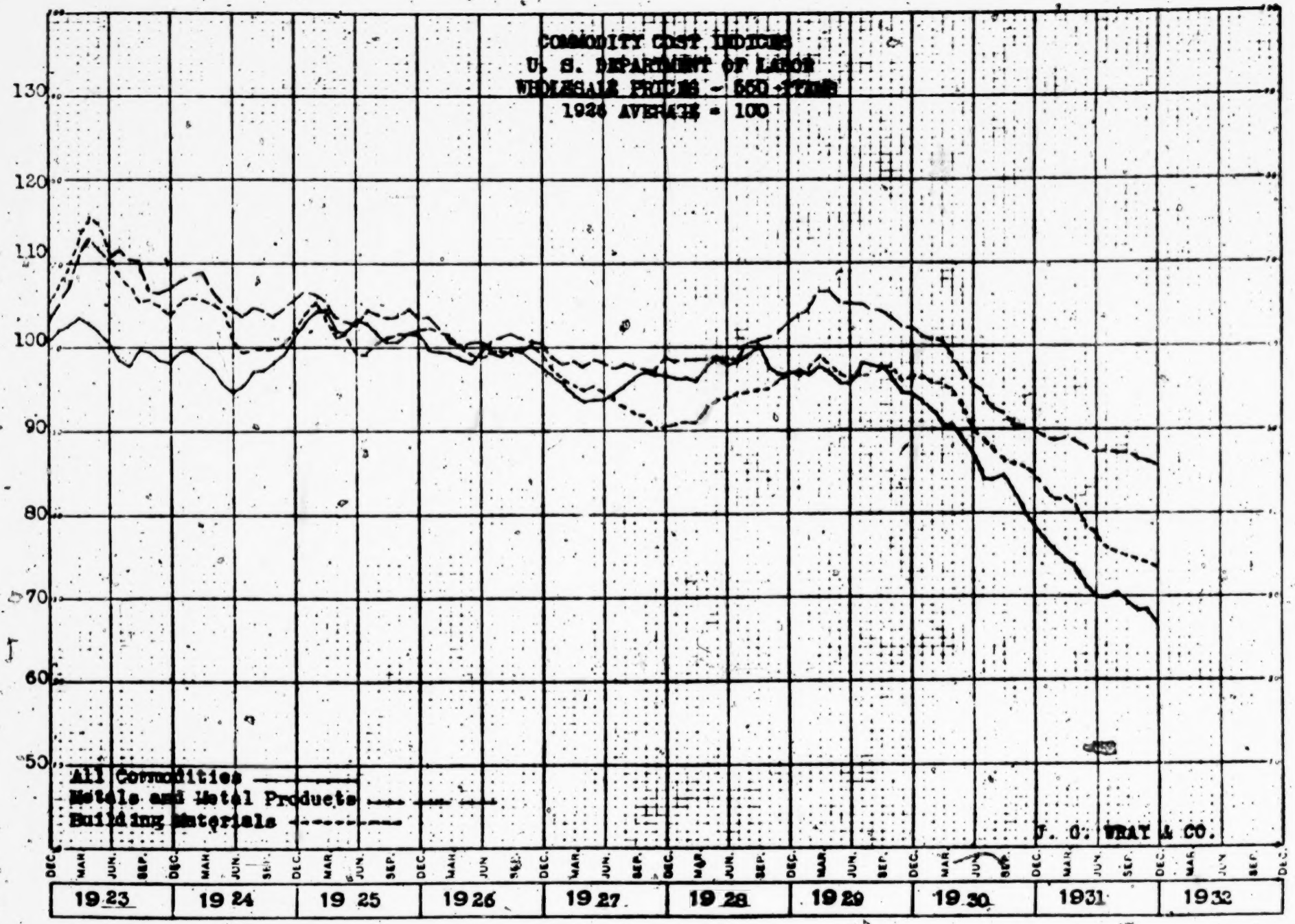


EXHIBIT X-14

160
150
140
130
120
110
100
90
80
70
60
50
40
1800
1810
1820
1830
1840
1850
1860
1870
1880
1890
1900
1910
1920
1930
Commodity Cost Indices
Wholesale Prices
1926 average = 100
J. C. WRAY & SON.

4411


COMMODITY COST INDICES
U. S. DEPARTMENT OF LABOR
WHOLESALE PRICES - 550 ITEMS
1926 AVERAGE = 100
130
120
110
100
90
80
70
60
50
All Commodities
Metals and Metal Products
Building Materials
J. C. WRAY & CO.
DEC. MAR. JUN. SEP.
1923
1924
1925
1926
1927
1928
1929
1930
1931
1932

4412

[fol. 4413]

EXHIBIT X-15

Western Electric Company, Inc.

Profit and Loss, Year 1929

(Dollars in Thousands)

	Not classified	Total			Telephone Apparatus			Lead Covered Cable			Supplies		
		Total	Bell	Non-Bell	Total	Bell	Non-Bell	Total	Bell	Non-Bell	Total	Bell	Non-Bell
Sales:													
Telephone appliances					$184,710	176,646	8,064						
Special commercial products					26,047	1,522	24,525						
Total Sales		$410,950	372,383	38,567	210,757	178,168	32,589	66,958	63,915	3,043	133,235	130,300	2,935
Gross Profit:													
Basic gross profit (adjusted)		$65,421	54,752	10,669	49,616	39,365	10,251	8,153	7,879	274	7,652	7,508	144
Manufacturing surplus and current underrun		17,720	17,747	2,286	16,767	14,680	2,087	2,890	2,691	199	376	376	
Manufacturing surplus and current underrun		15,247*	17,207*	353*	14,031*	13,734*	297*	2,516*	2,460*	56*	1,013*	1,013*	
Inventory revaluation and reserves		122	163	17	158	142	16	9	8	1	13	13	
Inventory revaluation and reserves		6,747*	6,136*	669*	6,103*	5,465*	638*	636*	605*	31*	66*	66*	
Total Gross Profit		$61,269	49,319	11,950	46,407	34,988	11,419	7,900	7,513	387	6,962	6,818	144
Other Income:													
Royalties	$295	$295											
Dividends	5,395	5,395											
Interest and other (Supplies includes (1) not classified)	2,756	3,640	869	14	732	720	12	65	63	2	87	86	
	$8,446	$9,330	869	14	732	720	12	65	63	2	87	86	
Total income	$8,446	$70,599	50,188	11,964	47,139	35,708	11,431	7,965	7,576	389	7,049	6,904	144
Expenses:													
Development expenses	$326	$11,350	8,910	2,114	10,218	8,142	2,076	806	768	38			
General expense (T. A. includes 42 not classified)		5,182	3,919	1,221	4,207	2,980	1,185	239	213	26	736	726	10
Merchandising expense		20,135	18,642	1,493	15,294	13,896	1,398	656	639	17	4,185	4,107	78
Federal taxes	272	2,363	1,329	762	1,267	540	727	628	597	31	196	192	4
Total Expenses	$598	$39,030	32,800	5,590	30,986	25,558	5,386	2,329	2,217	112	5,117	5,025	92
Net profit	$7,848	$31,569	17,388	6,374	16,153	10,150	6,045	5,636	5,359	277	1,932	1,879	52
Unallocated difference in gross profit		13											
		$31,556											

* Red figures.

[fol. 4414]

EXHIBIT X-16

Western Electric Company, Inc.

Analysis of Basic Gross Profit, Year 1929

(Dollars in Thousands)

	Total			Telephone Apparatus			Lead Covered Cable			Supplies		
	Total	Bell	Others	Total	Bell	Others	Total	Bell	Others	Total	Bell	Others
Merchandise Department:												
Basic gross	$56,899	46,541	10,358	47,426	37,407	10,019	8,191	7,931	260	1,282	1,203	79
Reversal of 1928 claim entries	31	30	1	30	30					1		1
1929 claim entries	169*	163*	6*	167*	162*	5*	1*	1*		1*		1*
Gross profit on supplies allowed distributing houses	554*	553*	1*							554*	553*	1*
Effect of price revision on D. H. inventories first six months of 1929	5*	5*		120*	120*		115	115				
Remuneration for inspection	88	60	28							88	60	28
Profit contract appraisals of returned exchanges	16	16		16	16							
Local cable design surplus	180	180		180	180							
Changes in allowance price for Class "A" material	89*	89*		89*	89*							
Excess profit on closed switchboard jobs	183	183		183	183							
Gross loss on Class "A" and "B" material (junked and salvaged)	236	236		236	236							
Adjustment to basic gross profit on Class "A H" material	28*	28*		28*	28*							
Errors in December 1928 partial deliveries	347*	294*	53*	347*	294*	53*						
Unexplained difference	1,805*	1,508*	297*	1,805*	1,508*	297*						
Sundry profit and losses	171	167	4	80	80		90	86	4	1	1	
	$54,807	44,773	10,034	45,595	35,931	9,664	8,395	8,131	264	817	711	106
Distributing Houses:												
Gross profit on local shop manufacture	$321	321		321	321							
Local shop surplus	828	828		828	828							
Effect of price revision on D. H. inventories last six months of 1929	267*	267*		267*	267*							
Liquidation of closing reserves	105			64			5	5		36		36
Profit on supplies billed on merchandise and other departments	5									5		
Profit on sale at distributor prices	11	551*	29	9	293*	19	2	43*	10			
Loss incurred in disposal of over-stock	9*			4*			1*			4*		
Other adjustments to profit (including unexplained difference)	634*			343*			34*			257*	220*	36*
Remuneration on sales of supplies	6,300	6,288	12							6,300	6,288	12
Inspection on purchase of supplies	671	671								671	671	
	$7,331	7,290	41	608	589	19	28*	38*	10	6,751	6,739	12
Installation Department:												
Gross profit and remuneration on direct expense material	$105	105		105	105							
General loading	1,067	1,067		1,067	1,067							
Accounts outlawed by statute of limitation	20	20		20	20							
[fol. 4415]	$1,192	1,192		1,192	1,192							
Broadway:												
Profit on sale of connecting blocks	$64	47	17	64	47	17						
Miscellaneous profits and losses	6	5	1	2	1	1	4	4				
Effect of revaluing D. H. inventories to standard shop cost	139*	139*		79	79		218*	218*				
Effect of change in reserve to distribute equipment gross profit in proportion to billing and installation	618*	618*		618*	618*							
Inspection on purchases of supplies	113	98	15							113	98	15
Remuneration on sales to distributors	12	1	11							12	1	11
Queensboro transfer (booths)	36*	36*								36*	36*	
Reserve discounts	5*	5*								5*	5*	
	$603*	647*	44	473*	491*	18	214*	214*		84	58	26
Special Service:												
Manufacturing Department	$42		42	42		42						
Merchandise	18	8	10	18	8	10						
Distributing Houses	2,117	2,117		2,117	2,117							
Broadway	491		491	491		491						
	$2,668	2,125	543	2,668	2,125	543						
Manufacturing Expense Recovered Through Royalties	$12	5	7	12	5	7						
Manufacturing Department Uncalled for Pay	$14	14		14	14							

Basic gross	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		1		1
Reversal of 1928 claim entries	31	30	1	30	30							
1929 claim entries	169*	163*	6*	167*	162*	5*	1*	1*		1*		1*
Gross profit on supplies allowed distributing houses	554*	553*	1*							554*	553*	1*
Effect of price revision on D. H. inventories first six months of 1929	5*	5*		120*	120*		115	115				
Remuneration for inspection	88	60	28							88	60	28
Profit contract appraisals of returned exchanges	16	16		16	16							
Local cable design surplus	180	180		180	180							
Changes in allowance price for Class "A" material	89*	89*		89*	89*							
Excess profit on closed switchboard jobs	183	183		183	183							
Gross loss on Class "A" and "B" material (junked and salvaged)	236	236		236	236							
Adjustment to basic gross profit on Class "A H" material	28*	28*		28*	28*							
Errors in December 1928 partial deliveries	347*	294*	53*	347*	294*	53*						
Unexplained difference	1,805*	1,508*	297*	1,805*	1,508*	297*						
Sundry profit and losses	171	167	4	80	80		90	86	4	1	1	
	$54,807	44,773	10,034	45,595	35,931	9,664	8,395	8,131	264	817	711	106
Distributing Houses:												
Gross profit on local shop manufacture	$321	321		321	321							
Local shop surplus	828	828		828	828							
Effect of price revision on D. H. inventories last six months of 1929	267*	267*		267*	267*							
Liquidation of closing reserves	105			64			5	5		36		36
Profit on supplies billed on merchandise and other departments	5									5		
Profit on sale at distributor prices	11	551*	29	9	293*	18*	2	43*	10			
Loss incurred in disposal of over-stock	9*			4*			1*			4*		
Other adjustments to profit (including unexplained difference)	634*			343*			34*			257*	220*	36*
Remuneration on sales of supplies	6,300	6,288	12							6,300	6,288	12
Inspection on purchase of supplies	671	671								671	671	
	$7,331	7,290	41	608	589	19	28*	38*	10	6,751	6,739	12
Installation Department:												
Gross profit and remuneration on direct expense material	$105	105		105	105							
General loading	1,067	1,067		1,067	1,067							
Accounts outlawed by statute of limitation	20	20		20	20							
[fol. 4415]	$1,192	1,192		1,192	1,192							
Broadway:												
Profit on sale of connecting blocks	$64	47	17	64	47	17						
Miscellaneous profits and losses	6	5	1	2	1	1	4	4				
Effect of revaluing D. H. inventories to standard shop cost	139*	139*		79	79		218*	218*				
Effect of change in reserve to distribute equipment gross profit in proportion to billing and installation	618*	618*		618*	618*							
Inspection on purchases of supplies	113	98	15									15
Remuneration on sales to distributers	12	1	11									11
Queensboro transfer (booths)	36*	36*										
Reserve discounts	5*	5*										
	$603*	647*	44	473*	491*	18	214*	214*		84		26
Special Service:												
Manufacturing Department	$42		42	42		42						
Merchandise	18	8	10	18	8	10						
Distributing Houses	2,117	2,117		2,117	2,117							
Broadway	491		491	491		491						
	$2,668	2,125	543	2,668	2,125	543						
Manufacturing Expense Recovered Through Royalties	$12	5	7	12	5	7						
Manufacturing Department Uncalled for Pay	$14	14		14	14							
Total Basic Gross Profit	$65,421	54,752	10,669	49,616	39,365	10,251	8,158	7,879	274	7,652	7,508	144

* Red figures.

[fol. 4416]

EXHIBIT X-34

Western Electric Company, Inc.

Gross Profit

(Dollars in Thousands)

	Total Gross Profit				Adjusted Basic Gross				Manufacturing Inventory and Reserves Adjustments (Together)				Manufacturing Surplus Current Underrun (Current Variation)				Inv
	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total
Year 1931:																	
Additions to gross profit									17,257	7,760	9,729	77	16,691	7,036	9,655	.....	566
Deductions from gross profit									22,557	13,243	8,074	1,549	16,184	9,364	6,411	409	6,373
Total adjustments to gross profit									39,814	21,003	17,803	1,626	32,875	16,400	16,066	409	6,939
Net adjustments to gross profit	$42,833	38,726	808	3,299	48,133	44,209	847*	4,771	5,300*	5,483*	1,655	1,472*	507	2,328*	3,244	409*	5,807*
Year 1930:																	
Additions to gross profit									14,001	6,938	7,404	1	12,814	5,797	7,236	.....	1,187
Deductions from gross profit									21,402	15,885	4,816	1,043	15,251	11,585	3,716	169	6,151
Total adjustments to gross profit									35,403	22,823	12,220	1,044	28,065	17,382	10,952	169	7,338
Net adjustments to gross profit	$54,450	42,513	6,084	5,853	61,851	51,460	3,496	6,895	7,401*	8,947*	2,588	1,042*	2,437*	5,788*	3,520	169*	4,964*
Year 1929:																	
Additions to gross profit									17,842	16,925	2,899	389	17,720	16,767	2,890	376	122
Deductions from gross profit									21,994	20,134	3,152	1,079	15,247	14,031	2,516	1,013	6,747
Total adjustments to gross profit									39,836	37,059	6,051	1,468	32,967	30,798	5,406	1,389	6,869
Net adjustments to gross profit	$61,269	46,407	7,900	6,962	65,421	49,616	8,153	7,652	4,152*	3,209*	253*	690*	2,473	2,736	374	637*	6,625*
Year 1928:																	
Additions to gross profit									16,777	12,111	5,145	205	13,014	8,410	5,086	186	3,763
Deductions from gross profit									11,130	11,099	688	27	6,358	6,815	185	26	4,772
Total adjustments to gross profit									27,907	23,210	5,833	232	19,372	15,225	5,271	212	8,535
Net adjustments to gross profit	$54,175	43,754	5,098	5,323	48,528	42,742	641	5,145	5,647	1,012	4,457	178	6,656	1,595	4,901	160	1,009*
Year 1927:																	
Additions to gross profit									13,374	8,818	4,603	594	10,597	6,956	3,752	427	2,777
Deductions from gross profit									5,331	5,383	552	37	3,654	3,690	465	37	1,677
Total adjustments to gross profit									18,705	14,201	5,155	631	14,251	10,646	4,217	464	4,454
Net adjustments to gross profit	$56,447	45,182	6,415	4,850	48,404	41,747	2,364	4,293	8,043	3,435	4,051	557	6,943	3,266	3,287	390	1,100
Year 1926:																	
Additions to gross profit									12,347	10,458	2,055	.....	11,309	9,373	2,052	.....	1,038
Deductions from gross profit									10,108	7,823	2,321	130	6,025	4,878	1,263	.....	4,083
Total adjustments to gross profit									22,455	18,281	4,376	130	17,334	14,251	3,315	.....	5,121
Net adjustments to gross profit	$51,856	44,268	2,887	4,701	49,617	41,633	3,153	4,831	2,239	2,635	266*	130*	5,284	4,495	789	.....	3,045*
Year 1925:																	
Additions to gross profit									4,100	4,022	71	71	3,008	2,987	22	63	1,092
Deductions from gross profit									15,379	7,297	8,146	.....	11,713	3,710	8,067	.....	3,666
Total adjustments to gross profit									19,479	11,319	8,217	71	14,721	6,697	8,089	63	4,758
Net adjustments to gross profit	$58,656	41,463	5,031	12,162	69,935	44,738	13,106	12,091	11,279*	3,275*	8,075*	71	8,705*	723*	8,045*	63	2,574*
Year 1924:																	
Additions to gross profit									4,395	4,308	87	131	3,949	3,880	69	130	446
Deductions from gross profit									11,863	6,737	5,132	125	9,498	4,431	5,072	125	2,365
Total adjustments to gross profit									16,258	11,045	5,219	256	13,447	8,311	5,141	255	2,811

EXHIBIT X-34
Western Electric Company, Inc.
Gross Profit
(Dollars in Thousands)

Total Gross Profit				Adjusted Basic Gross			Manufacturing Inventory and Reserves Adjustments (Together)				Manufacturing Surplus Current Underrun (Current Variation)				Inventory Revaluation and Reserves			
T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L.C.C.	Supp.
.....	.....	.....	.....	.....	.....	.....	17,257	7,760	9,729	77	16,691	7,036	9,655	.....	566	724	74	77
.....	.....	.....	.....	.....	.....	.....	22,557	13,243	8,074	1,549	16,184	9,364	6,411	409	6,373	3,879	1,663	1,140
.....	.....	.....	.....	.....	.....	.....	39,814	21,003	17,803	1,626	32,875	16,400	16,066	409	6,939	4,603	1,737	1,217
38,726	808	3,299	48,133	44,209	847*	4,771	5,300*	5,483*	1,655	1,472*	507	2,328*	3,244	409*	5,807*	3,155*	1,589*	1,063*
.....	.....	.....	.....	.....	.....	.....	14,001	6,938	7,404	1	12,814	5,797	7,236	.....	1,187	1,141	168	1
.....	.....	.....	.....	.....	.....	.....	21,402	15,885	4,816	1,043	15,251	11,585	3,716	169	6,151	4,300	1,100	874
.....	.....	.....	.....	.....	.....	.....	35,403	22,823	12,220	1,044	28,065	17,382	10,952	169	7,338	5,441	1,268	875
42,513	6,084	5,853	61,851	~~51,460~~	~~3,496~~	6,895	7,401*	8,947*	2,588	1,042*	2,437*	5,788*	3,520	169*	4,964*	3,159*	932*	873*
.....	.....	.....	.....	.....	.....	.....	17,842	16,925	2,899	389	17,720	16,767	2,890	376	122	158	9	13
.....	.....	.....	.....	.....	.....	.....	21,994	20,134	3,152	1,079	15,247	14,031	2,516	1,013	6,747	6,103	636	66
.....	.....	.....	.....	.....	.....	.....	39,836	37,059	6,051	1,468	32,967	30,798	5,406	1,389	6,869	6,261	645	79
46,407	7,900	6,962	65,421	49,616	8,153	7,652	4,152*	3,209*	253*	690*	2,473	2,736	374	637*	6,625*	5,945*	627*	53*
.....	.....	.....	.....	.....	.....	.....	16,777	12,111	5,145	205	13,014	8,410	5,086	186	3,763	3,701	59	19
.....	.....	.....	.....	.....	.....	.....	11,130	11,099	688	27	6,358	6,815	185	26	4,772	4,284	503	1
.....	.....	.....	.....	.....	.....	.....	27,907	23,210	5,833	232	19,372	15,225	5,271	212	8,535	7,985	562	20
43,754	5,098	5,323	48,528	42,742	641	5,145	5,647	1,012	4,457	178	6,656	1,595	4,901	160	1,009*	583*	444*	18
.....	.....	.....	.....	.....	.....	.....	13,374	8,818	4,603	594	10,587	6,956	3,752	427	2,777	1,862	851	167
.....	.....	.....	.....	.....	.....	.....	5,331	5,383	552	37	3,654	3,690	465	37	1,677	1,693	87	.....
.....	.....	.....	.....	.....	.....	.....	18,705	14,201	5,155	631	14,251	10,648	4,217	464	4,454	3,555	938	167
45,182	6,415	4,850	48,404	41,747	2,364	4,293	8,043	3,435	4,051	557	6,943	3,266	3,287	390	1,100	169	764	167
.....	.....	.....	.....	.....	.....	.....	12,347	10,458	2,055	.....	11,309	9,373	2,052	.....	1,038	1,085	3	.....
.....	.....	.....	.....	.....	.....	.....	10,108	7,823	2,321	130	6,025	4,878	1,263	.....	4,083	2,945	1,058	130
.....	.....	.....	.....	.....	.....	.....	22,455	18,281	4,376	130	17,334	14,251	3,315	.....	5,121	4,030	1,061	130
44,268	2,887	4,701	49,617	41,633	3,153	4,831	2,239	2,635	266*	130*	5,284	4,495	789	.....	3,045*	1,860*	1,055*	130*
.....	.....	.....	.....	.....	.....	.....	4,100	4,022	71	71	3,008	2,987	22	63	1,092	1,035	49	8
.....	.....	.....	.....	.....	.....	.....	15,379	7,297	8,146	.....	11,713	3,710	8,067	.....	3,666	3,587	79	.....
.....	.....	.....	.....	.....	.....	.....	19,479	11,319	8,217	71	14,721	6,697	8,089	63	4,758	4,622	128	8
1,463	5,031	12,162	69,935	44,738	13,106	12,091	11,279*	3,275*	8,075*	71	8,705*	723*	8,045*	63	2,574*	2,552*	30*	8
.....	.....	.....	.....	.....	.....	.....	4,395	4,308	87	131	3,949	3,880	69	130	446	428	18	1
.....	.....	.....	.....	.....	.....	.....	11,863	6,737	5,132	125	9,498	4,431	5,072	125	2,365	2,306	60	.....
.....	.....	.....	.....	.....	.....	.....	16,258	11,045	5,219	256	13,447	8,311	5,141	255	2,811	2,734	78	1

Additions to gross profit									22,557	13,248	8,074	1,549	10,184	3,002	3,244	409	5,807
Deductions from gross profit									39,814	21,003	17,803	1,626	32,875	16,400	16,066	409	6,939
Total adjustments to gross profit									5,300*	5,483*	1,655	1,472*	507	2,328*	3,244	409*	5,807*
Net adjustments to gross profit	$42,833	38,726	808	3,299	48,133	44,209	847*	4,771									
Year 1930:																	
Additions to gross profit									14,001	6,938	7,404	1	12,814	5,797	7,236	.....	1,187
Deductions from gross profit									21,402	15,885	4,816	1,043	15,251	11,585	3,716	169	6,151
Total adjustments to gross profit									35,403	22,823	12,220	1,044	28,065	17,382	10,952	169	7,338
Net adjustments to gross profit	$54,450	42,513	6,084	5,853	61,851	51,460	3,496	6,895	7,401*	8,947*	2,588	1,042*	2,437*	5,788*	3,520	169*	4,964*
Year 1929:																	
Additions to gross profit									17,842	16,925	2,899	389	17,720	16,767	2,890	376	122
Deductions from gross profit									21,994	20,134	3,152	1,079	15,247	14,031	2,516	1,013	6,747
Total adjustments to gross profit									39,836	37,059	6,051	1,468	32,967	30,798	5,406	1,389	6,869
Net adjustments to gross profit	$61,269	46,407	7,900	6,962	65,421	49,616	8,153	7,652	4,152*	3,209*	253*	690*	2,473	2,736	374	637*	6,625*
Year 1928:																	
Additions to gross profit									16,777	12,111	5,145	205	13,014	8,410	5,086	186	3,763
Deductions from gross profit									11,130	11,099	688	27	6,358	6,815	185	26	4,772
Total adjustments to gross profit									27,907	23,210	5,833	232	19,372	15,225	5,271	212	8,535
Net adjustments to gross profit	$54,175	43,754	5,098	5,323	48,528	42,742	641	5,145	5,647	1,012	4,457	178	6,656	1,595	4,901	160	1,009*
Year 1927:																	
Additions to gross profit									13,374	8,818	4,603	594	10,597	6,956	3,752	427	2,777
Deductions from gross profit									5,331	5,383	552	37	3,654	3,690	465	37	1,677
Total adjustments to gross profit									18,705	14,201	5,155	631	14,251	10,646	4,217	464	4,454
Net adjustments to gross profit	$56,447	45,182	6,415	4,850	48,404	41,747	2,364	4,293	8,043	3,435	4,051	557	6,943	3,266	3,287	390	1,100
Year 1926:																	
Additions to gross profit									12,347	10,458	2,055	.....	11,309	9,373	2,052	.....	1,038
Deductions from gross profit									10,108	7,823	2,321	130	6,025	4,878	1,263	.....	4,083
Total adjustments to gross profit									22,455	18,281	4,376	130	17,334	14,251	3,315	.....	5,121
Net adjustments to gross profit	$51,856	44,268	2,887	4,701	49,617	41,633	3,153	4,831	2,239	2,635	266*	130*	5,284	4,495	789	.....	3,045*
Year 1925:																	
Additions to gross profit									4,100	4,022	71	71	3,008	2,987	22	63	1,092
Deductions from gross profit									15,379	7,297	8,146	.....	11,713	3,710	8,067	.....	3,666
Total adjustments to gross profit									19,479	11,319	8,217	71	14,721	6,697	8,089	63	4,758
Net adjustments to gross profit	$58,656	41,463	5,031	12,162	69,935	44,738	18,106	12,091	11,279*	3,275*	8,075*	71	8,705*	723*	8,045*	63	2,574*
Year 1924:																	
Additions to gross profit									4,395	4,308	87	131	3,949	3,880	69	130	446
Deductions from gross profit									11,863	6,737	5,132	125	9,498	4,431	5,072	125	2,363
Total adjustments to gross profit									16,258	11,045	5,219	256	13,447	8,311	5,141	255	2,811
Net adjustments to gross profit	$55,114	41,421	2,589	11,104	62,582	43,850	7,634	11,098	7,468*	2,429*	5,045*	6	5,549*	551*	5,003*	5	1,919*

* Red figures

	Total Gross Profit				Adjusted Basic Gross				Manufacturing Inventory and Reserves Adjustments (Together)				Manufacturing Surplus Current Underrun (Current Variation)				Inventory Revaluation and Reserves			
	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L.C.C.	Supp.
...	...	...	...	...	...	...	...	...	17,257	7,760	9,729	77	16,691	7,036	9,655	...	566	724	74	77
ofit	...	...	...	...	...	...	...	...	22,557	13,243	8,074	1,549	16,184	9,364	6,411	409	6,373	3,879	1,663	1,140
s profit	...	...	...	...	...	...	...	...	39,814	21,003	17,803	1,626	32,875	16,400	16,066	409	6,939	4,603	1,737	1,217
profit	$42,833	38,726	808	3,299	48,133	44,209	847*	4,771	5,300*	5,483*	1,655	1,472*	507	2,328*	3,244	409*	5,807*	3,155*	1,589*	1,063*
...	...	...	...	...	...	...	...	...	14,001	6,938	7,404	1	12,814	5,797	7,236	...	1,187	1,141	168	1
ofit	...	...	...	...	...	...	...	...	21,402	15,885	4,816	1,043	15,251	11,585	3,716	169	6,151	4,300	1,100	874
s profit	...	...	...	...	...	...	...	...	35,403	22,823	12,220	1,044	28,065	17,382	10,952	169	7,338	5,441	1,268	875
profit	$54,450	42,513	6,084	5,853	61,851	51,460	3,496	6,895	7,401*	8,947*	2,588	1,042*	2,437*	5,788*	3,520	169*	4,964*	3,159*	932*	873*
...	...	...	...	...	...	...	...	...	17,842	16,925	2,899	389	17,720	16,767	2,890	376	122	158	9	13
ofit	...	...	...	...	...	...	...	...	21,994	20,134	3,152	1,079	15,247	14,031	2,516	1,013	6,747	6,103	636	66
s profit	...	...	...	...	...	...	...	...	39,836	37,059	6,051	1,468	32,967	30,798	5,406	1,389	6,869	6,261	645	79
profit	$61,269	46,407	7,900	6,962	65,421	49,616	8,153	7,652	4,152*	3,209*	253*	690*	2,473	2,736	374	637*	6,625*	5,945*	627*	53*
...	...	...	...	...	...	...	...	...	16,777	12,111	5,145	205	13,014	8,410	5,086	186	3,763	3,701	59	19
ofit	...	...	...	...	...	...	...	...	11,130	11,099	688	27	6,358	6,815	185	26	4,772	4,284	503	1
s profit	...	...	...	...	...	...	...	...	27,907	23,210	5,833	232	19,372	15,225	5,271	212	8,535	7,985	562	20
profit	$54,175	43,754	5,098	5,323	48,528	42,742	641	5,145	5,647	1,012	4,457	178	6,656	1,595	4,901	160	1,009*	583*	444*	18
...	...	...	...	...	...	...	...	...	13,374	8,818	4,603	594	10,597	6,956	3,752	427	2,777	1,862	851	167
fit	...	...	...	...	...	...	...	...	5,331	5,383	552	37	3,654	3,690	465	37	1,677	1,693	87	...
s profit	...	...	...	...	...	...	...	...	18,705	14,201	5,155	631	14,251	10,646	4,217	464	4,454	3,555	938	167
profit	$56,447	45,182	6,415	4,850	48,404	41,747	2,364	4,293	8,043	3,435	4,051	557	6,943	3,266	3,287	390	1,100	169	764	167
...	...	...	...	...	...	...	...	...	12,347	10,458	2,055	...	11,309	9,373	2,052	...	1,038	1,085	3	...
fit	...	...	...	...	...	...	...	...	10,108	7,823	2,321	130	6,025	4,878	1,263	...	4,083	2,945	1,058	130
s profit	...	...	...	...	...	...	...	...	22,455	18,281	4,376	130	17,334	14,251	3,315	...	5,121	4,030	1,061	130
profit	$51,856	44,268	2,887	4,701	49,617	41,633	3,153	4,831	2,239	2,635	266*	130*	5,284	4,495	789	...	3,045*	1,860*	1,055*	130*
...	...	...	...	...	...	...	...	...	4,100	4,022	71	71	3,008	2,987	22	63	1,092	1,085	49	8
fit	...	...	...	...	...	...	...	...	15,379	7,297	8,146	...	11,713	3,710	8,067	...	3,666	3,587	79	...
profit	...	...	...	...	...	...	...	...	19,479	11,319	8,217	71	14,721	6,697	8,089	63	4,758	4,622	128	8
rofit	$58,656	41,463	5,031	12,162	69,935	44,738	13,106	12,091	11,279*	3,275*	8,075*	71	8,705*	723*	8,045*	63	2,574*	2,552*	30*	8
...	...	...	...	...	...	...	...	...	4,395	4,308	87	131	3,949	3,880	69	130	446	428	18	1
it	...	...	...	...	...	...	...	...	11,863	6,737	5,132	125	9,498	4,431	5,072	125	2,365	2,306	60	...
profit	...	...	...	...	...	...	...	...	16,258	11,045	5,219	256	13,447	8,311	5,141	255	2,811	2,734	78	1
rofit	$55,114	41,421	2,589	11,104	62,582	43,850	7,634	11,098	7,468*	2,429*	5,045*	6	5,549*	551*	5,003*	5	1,919*	1,878*	42*	1

[fol. 4417]

Year 1923:																
Additions to gross profit									5,638	5,017	664		4,171	3,927	287	1,467
Deductions from gross profit									6,141	3,427	2,757		5,409	2,695	2,757	732
Total adjustments to gross profit									11,779	8,444	3,421		9,580	6,622	3,044	2,199
Net adjustments to gross profit	$39,237	24,839	2,816	11,582	39,740	23,249	4,909	11,582	503*	1,590	2,093*		1,238*	1,232	2,470*	738
Year 1922:																
Additions to gross profit									1,439	406	1,145		1,214	255	1,039	225
Deductions from gross profit									5,523	5,342	216	77	4,785	4,649	216	738
Total adjustments to gross profit									6,962	5,748	1,361	77	5,999	4,904	1,255	963
Net adjustments to gross profit	$30,003	20,035	1,689	8,279	34,087	24,971	760	8,356	4,084*	4,936*	929	77*	3,571*	4,394*	823	513
Year 1921:																
Additions to gross profit									9,376	5,308	4,090	38	8,719	4,651	4,090	657
Deductions from gross profit									2,979	2,965	74		2,724	2,691	55	255
Total adjustments to gross profit									12,355	8,273	4,164	38	11,443	7,342	4,145	912
Net adjustments to gross profit	$29,252	22,360	1,360	5,532	22,855	20,017	2,656*	5,494	6,397	2,343	4,016	38	5,995	1,960	4,035	402
Year 1920:																
Additions to gross profit									3,697	3,425	272		3,295	3,023	272	402
Deductions from gross profit									18,159	13,265	4,894		18,119	13,225	4,894	40
Total adjustments to gross profit									21,856	16,690	5,166		21,414	16,248	5,166	442
Net adjustments to gross profit	$27,623	13,147	1,647	12,829	42,085	22,987	6,269	12,829	14,462*	9,840*	4,622*		14,824*	10,202*	4,622*	362
Year 1919:																
Additions to gross profit									2,093	1,724	202	167	1,676	1,627	49	417
Deductions from gross profit									8,574	6,484	2,035	55	8,519	6,484	2,035	55
Total adjustments to gross profit									10,667	8,208	2,237	222	10,195	8,111	2,084	472
Net adjustments to gross profit	$21,116	11,194	1,334	8,588	27,597	15,954	3,167	8,476	6,481*	4,760*	1,833*	112	6,843*	4,857*	1,986*	362
Year 1918:																
Additions to gross profit									182	180	2		142	140	2	40
Deductions from gross profit									13,677	9,071	4,576	30	13,202	8,637	4,565	475
Total adjustments to gross profit									13,859	9,251	4,578	30	13,344	8,777	4,567	515
Net adjustments to gross profit	$20,045	11,288	582	8,175	33,540	20,179	5,156	8,205	13,495*	8,891*	4,574*	30*	13,060*	8,497*	4,563*	435
Year 1917:																
Additions to gross profit									950	950	228		763	763	228	187
Deductions from gross profit									20,306	9,005	11,466	63	19,573	8,586	11,215	733
Total adjustments to gross profit									21,256	9,955	11,694	63	20,336	9,349	11,443	920
Net adjustments to gross profit	$17,576	8,438	1,385	7,753	36,932	16,493	12,623	7,816	19,356*	8,055*	11,238*	63*	18,810*	7,823*	10,987*	546
Year 1916:																
Additions to gross profit									349	349	26		333	333		16
Deductions from gross profit									8,810	3,354	5,480	2	7,012	2,196	5,416	1,198
Total adjustments to gross profit									9,159	3,703	5,506	2	7,945	2,529	5,416	1,214
Net adjustments to gross profit	$13,200	5,870	1,563	5,767	21,661	8,875	7,017	5,769	8,461*	3,005*	5,454*	2*	7,279*	1,863*	5,416*	1,182

* Red figures.

..	.....	.....	.....	.....	.....	.....	.....	5,638	5,017	664	.....	4,171	3,927	287	.....	1,467	1,090	377	.....
..	.....	.....	.....	.....	.....	.....	.....	6,141	3,427	2,757	.....	5,409	2,695	2,757	.....	732	732	.....	.....
..	.....	.....	.....	.....	.....	.....	.....	11,779	8,444	3,421	.....	9,580	6,622	3,044	.....	2,199	1,822	377	.....
37	24,839	2,816	11,582	39,740	23,249	4,909	11,582	503*	1,590	2,093*	.....	1,238*	1,232	2,470*	.....	735	358	377	.....
..	.....	.....	.....	.....	.....	.....	.....	1,439	406	1,145	.....	1,214	255	1,039	.....	225	151	106	.....
..	.....	.....	.....	.....	.....	.....	.....	5,523	5,342	216	77	4,785	4,649	216	.....	738	693	.....	77
..	.....	.....	.....	.....	.....	.....	.....	6,962	5,748	1,361	77	5,999	4,904	1,255	.....	963	844	106	77
08	20,035	1,689	8,279	34,087	24,971	760	8,356	4,084*	4,936*	929	77*	3,571*	4,394*	823	.....	513*	542*	106	77*
..	.....	.....	.....	.....	.....	.....	.....	9,376	5,308	4,090	38	8,719	4,651	4,090	.....	657	657	.....	38
..	.....	.....	.....	.....	.....	.....	.....	2,979	2,965	74	.....	2,724	2,691	55	.....	255	274	19	
..	.....	.....	.....	.....	.....	.....	.....	12,355	8,273	4,164	38	11,443	7,342	4,145	.....	912	931	19	38
52	22,360	1,360	5,532	22,855	20,017	2,656*	5,494	6,397	2,343	4,016	38	5,995	1,960	4,035	.....	402	383	19*	38
..	.....	.....	.....	.....	.....	.....	.....	3,697	3,425	272	.....	3,295	3,023	272	.....	402	402	.....	.....
..	.....	.....	.....	.....	.....	.....	.....	18,159	13,265	4,894	.....	18,119	13,225	4,894	.....	40	40	.....	.....
..	.....	.....	.....	.....	.....	.....	.....	21,856	16,690	5,166	.....	21,414	16,248	5,166	.....	442	442	.....	.....
23	13,147	1,647	12,829	42,085	22,987	6,269	12,829	14,462*	9,840*	4,622*	.....	14,824*	10,202*	4,622*	.....	362	362	.....	.....
..	.....	.....	.....	.....	.....	.....	.....	2,093	1,724	202	167	1,676	1,627	49	.....	417	97	153	167
..	.....	.....	.....	.....	.....	.....	.....	8,574	6,484	2,035	55	8,519	6,484	2,035	.....	55	.....	.....	55
..	.....	.....	.....	.....	.....	.....	.....	10,667	8,208	2,237	222	10,195	8,111	2,084	.....	472	97	153	222
16	11,194	1,334	8,588	27,597	15,954	3,167	8,476	6,481*	4,760*	1,833*	112	6,843*	4,857*	1,986*	.....	362	97	153	112
..	.....	.....	.....	.....	.....	.....	.....	182	180	2	.....	142	140	2	.....	40	40	.....	
..	.....	.....	.....	.....	.....	.....	.....	13,677	9,071	4,576	30	13,202	8,637	4,565	.....	475	434	11	30
..	.....	.....	.....	.....	.....	.....	.....	13,859	9,251	4,578	30	13,344	8,777	4,567	.....	515	474	11	30
5	11,288	582	8,175	33,540	20,179	5,156	8,205	13,495*	8,891*	4,574*	30*	13,060*	8,497*	4,563*	.....	435*	394*	11*	30*
..	.....	.....	.....	.....	.....	.....	.....	950	950	228	.....	763	763	228	.....	187	187	.....	
..	.....	.....	.....	.....	.....	.....	.....	20,306	9,005	11,466	63	19,573	8,586	11,215	.....	733	419	251	63
..	.....	.....	.....	.....	.....	.....	.....	21,256	9,955	11,694	63	20,336	9,349	11,443	.....	920	606	251	63
6	8,438	1,385	7,753	36,932	16,493	12,623	7,816	19,356*	8,055*	11,238*	63*	18,810*	7,823*	10,987*	.....	546*	232*	251*	63*
..	.....	.....	.....	.....	.....	.....	.....	349	349	26	.....	333	333	.....	.....	16	16	26	
..	.....	.....	.....	.....	.....	.....	.....	8,810	3,354	5,480	2	7,612	2,196	5,416	.....	1,198	1,158	64	2
..	.....	.....	.....	.....	.....	.....	.....	9,159	3,703	5,506	2	7,945	2,529	5,416	.....	1,214	1,174	90	2
)	5,870	1,563	5,767	21,661	8,875	7,017	5,769	8,461*	3,005*	5,454*	2*	7,279*	1,863*	5,416*	.....	1,182*	1,142*	38*	2*

[fol. 4418]

EXHIBIT X-35

Western Electric Company, Inc.

Gross Profit

(Dollars in Thousands)

	Total Gross Profit				Adjusted Basic Gross				Manufacturing, Inventory and reserves adjustments (Together)				Manufacturing surplus and current under-run (Current Variation)				Inventory
	Total	T. A.	L.C.C.	Supp.	Total	T. A.	L.C.C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total
Years 1923–1930, incl.									88,474	68,597	22,928	1,391	76,582	58,097	21,394	1,182	11,892
Additions									103,348	77,785	27,564	2,441	73,155	51,835	24,041	1,370	30,193
Deductions																	
Total									191,822	146,382	50,492	3,832	149,737	109,932	45,435	2,522	42,085
Net	$431,204	329,847	38,820	62,537	446,078	339,035	43,456	63,587	14,874*	9,188*	4,636*	1,050*	3,427	6,262	2,647*	188*	18,301*
Years 1921–1930, incl.																	
Additions									99,289	74,311	28,163	1,429	86,515	63,003	26,523	1,182	12,774
Deductions									111,850	86,092	27,854	2,518	80,664	59,175	24,312	1,370	31,186
Total									211,139	160,403	56,017	3,947	167,179	122,178	50,835	2,552	43,960
Net	$490,459	372,242	41,869	76,348	503,020	384,023	41,560	77,437	12,561*	11,781*	309	1,089*	5,851	3,828	2,211	188*	18,412*
Years 1916–1923, incl.																	
Additions									23,724	17,359	6,629	205	20,313	14,719	5,967		3,411
Deductions									84,169	52,913	31,498	227	79,943	49,163	31,153		4,226
Total									107,893	70,272	38,127	432	100,256	63,882	37,120		7,637
Net	$198,052	117,171	12,376	68,505	258,497	152,725	37,245	68,527	60,445*	35,554*	24,869*	22*	59,630*	34,444*	25,186*		815*
Years 1916–1924, incl.																	
Additions									28,119	21,667	6,716	336	24,262	18,599	6,036	130	3,857
Deductions									96,032	59,650	36,630	352	89,441	53,594	36,225	125	6,591
Total									124,151	81,317	43,346	688	113,703	72,193	42,261	255	10,448
Net	$253,166	158,592	14,965	79,609	321,079	196,575	44,879	79,625	67,913*	37,983*	29,914*	16*	65,179*	34,995*	30,189*	5	2,734*
Years 1916–1925, incl.																	
Additions									32,219	25,689	6,787	407	27,270	21,586	6,058	193	4,949
Deductions									111,411	66,947	44,776	352	101,154	57,304	44,292	125	10,257
Total									143,630	92,636	51,563	759	128,424	78,890	50,350	318	15,206
Net	$311,822	200,055	19,996	91,771	391,014	241,313	57,985	91,716	79,192*	41,258*	37,989*	55	73,884*	35,718*	38,234*	68	5,308*
Years 1916–1926, incl.																	
Additions									44,566	36,147	8,842	407	38,579	30,959	8,110	193	5,987
Deductions									121,519	74,770	47,097	482	107,179	62,182	45,555	125	14,340
Total									166,085	110,917	55,939	889	145,758	93,141	53,665	318	20,327
Net	$363,678	244,323	22,883	96,472	440,631	282,946	61,138	96,547	76,953*	38,623*	38,255*	75*	68,600*	31,223*	37,445*	68	8,353*

* Red figures

EXHIBIT X-35

Western Electric Company, Inc.

Gross Profit

(Dollars in Thousands)

Total Gross Profit				Adjusted Basic Gross				Manufacturing, Inventory and reserves adjustments (Together)				Manufacturing surplus and current under-run (Current Variation)				Inventory revaluations and reserves			
otal	T. A.	L.C.C.	Supp.	Total	T. A.	L.C.C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.
								88,474	68,597	22,928	1,391	76,582	58,097	21,394	1,182	11,892	10,500	1,534	209
								103,348	77,785	27,564	2,441	73,155	51,835	24,041	1,370	30,193	25,950	3,523	1,071
								191,822	146,382	50,492	3,832	149,737	109,932	45,435	2,522	42,085	36,450	5,057	1,280
,204	329,847	38,820	62,537	446,078	339,035	43,456	63,587	14,874*	9,188*	4,636*	1,050*	3,427	6,262	2,647*	188*	18,301*	15,450*	1,989*	862*
								99,289	74,311	28,163	1,429	86,515	63,003	26,523	1,182	12,774	11,308	1,640	247
								111,850	86,092	27,854	2,518	80,664	59,175	24,312	1,370	31,186	26,917	3,542	1,148
								211,139	160,403	56,017	3,947	167,179	122,178	50,835	2,552	43,960	38,225	5,182	1,395
,459	372,242	41,869	76,348	503,020	384,023	41,560	77,437	12,561*	11,781*	309	1,089*	5,851	3,828	2,211	188*	18,412*	15,609*	1,902*	901*
								23,724	17,359	6,629	205	20,313	14,719	5,967	.....	3,411	2,640	662	205
								84,169	52,913	31,498	227	79,943	49,163	31,153	.....	4,226	3,750	345	227
								107,893	70,272	38,127	432	100,256	63,882	37,120	.....	7,637	6,390	1,007	432
,052	117,171	12,376	68,505	258,497	152,725	37,245	68,527	60,445*	35,554*	24,869*	22*	59,630*	34,444*	25,186*	.....	815*	1,110*	317	22*
								28,119	21,667	6,716	336	24,262	18,599	6,036	130	3,857	3,068	680	206
								96,032	59,650	36,630	352	89,441	53,594	36,225	125	6,591	6,056	405	227
								124,151	81,317	43,346	688	113,703	72,193	42,261	255	10,448	9,124	1,085	433
166	158,592	14,965	79,609	321,079	196,575	44,879	79,625	67,913*	37,983*	29,914*	16*	65,179*	34,995*	30,189*	5	2,734*	2,988*	275	21*
								32,219	25,689	6,787	407	27,270	21,586	6,058	193	4,949	4,103	729	214
								111,411	66,947	44,776	352	101,154	57,304	44,292	125	10,257	9,643	484	227
								143,630	92,636	51,563	759	128,424	78,890	50,350	318	15,206	13,746	1,213	441
822	200,055	19,996	91,771	391,014	241,313	57,985	91,716	79,192*	41,258*	37,989*	55	73,884*	35,718*	38,234*	68	5,308*	5,540*	245	13*
								44,566	36,147	8,842	407	38,579	30,959	8,110	193	5,987	5,188	732	214
								121,519	74,770	47,097	482	107,179	62,182	45,555	125	14,340	12,588	1,542	357
								166,085	110,917	55,939	889	145,758	93,141	53,665	318	20,327	17,776	2,274	571
178	244,323	22,883	96,472	440,631	282,946	61,138	96,547	76,953*	38,623*	38,255*	75*	68,600*	31,223*	37,445*	68	8,353*	7,400*	810*	143*

[fol. 4419]

Years 1916–1927, incl.																	
Additions									57,940	44,965	13,445	1,001	49,176	37,915	11,862	620	8,764
Deductions									126,850	80,153	47,649	519	110,833	65,872	46,020	162	16,017
Total									184,790	125,118	61,094	1,520	160,009	103,787	57,882	782	24,781
Net	$420,125	289,505	29,298	101,322	489,035	324,693	63,502	100,840	68,910*	35,188*	34,204*	482	61,657*	27,957*	34,158*	458	7,258*
Years 1916–1928, incl.																	
Additions									74,717	57,076	18,590	1,206	62,190	46,325	16,948	806	12,527
Deductions									137,980	91,252	48,337	546	117,191	72,687	46,205	188	20,789
Total									212,697	148,328	66,927	1,752	179,381	119,012	63,153	994	33,316
Net	$474,300	333,259	34,396	106,645	537,563	367,435	64,143	105,985	63,268*	34,176*	29,747*	660	55,001*	26,362*	29,257*	618	8,262*
Years 1916–1929, incl.																	
Additions									92,559	74,001	21,489	1,595	79,910	63,092	19,838	1,182	12,649
Deductions									159,974	111,386	51,489	1,625	132,438	86,718	48,721	1,201	27,536
Total									252,533	185,387	72,978	3,220	212,348	149,810	68,559	2,383	40,185
Net	$535,569	379,666	42,296	113,607	602,984	417,051	72,296	113,637	67,415*	37,385*	30,000*	30*	52,528*	23,626*	28,883*	19*	14,887*
Years 1916–1930, incl.																	
Additions									106,560	80,939	28,893	1,596	92,724	68,889	27,074	1,182	13,836
Deductions									181,376	127,271	56,305	2,668	147,689	98,303	52,437	1,370	33,687
Total									287,936	208,210	85,198	4,264	240,413	167,192	79,511	2,552	47,523
Net	$590,019	422,179	48,380	119,460	664,835	468,511	75,792	120,532	74,816*	46,332*	27,412*	1,072*	54,965*	29,414*	25,363*	188*	19,851*
Years 1916–1931, incl.																	
Additions									123,817	88,699	38,622	1,673	109,415	75,925	36,729	1,182	14,402
Deductions									203,938	140,514	64,379	4,217	163,873	107,667	58,848	1,779	40,060
Total									327,750	229,213	103,001	5,890	273,288	183,592	95,577	2,961	54,462
Net	$632,852	460,905	49,188	122,759	712,968	512,720	74,945	125,303	80,116*	51,815*	25,757*	2,544*	54,458*	31,742*	22,119*	597*	25,658*

*Red figures.

								57,940	44,965	13,445	1,001	49,176	37,915	11,862	620	8,764	7,050	1,583	381
								126,850	80,153	47,649	519	110,833	65,872	46,020	162	16,017	14,281	1,629	357
								184,790	125,118	61,094	1,520	160,009	103,787	57,882	782	24,781	21,331	3,212	738
125	289,505	29,298	101,322	489,035	324,693	63,502	100,840	68,910*	35,188*	34,204*	482	61,657*	27,957*	34,158*	458	7,253*	7,231*	46*	24
								74,717	57,076	18,590	1,206	62,190	46,325	16,948	806	12,527	10,751	1,642	400
								137,980	91,252	48,337	546	117,191	72,687	46,205	188	20,789	18,565	2,132	358
								212,697	148,328	66,927	1,752	179,381	119,012	63,153	994	33,316	29,316	3,774	758
300	333,259	34,396	106,645	537,562	367,435	64,143	105,985	63,263*	34,176*	29,747*	660	55,001*	26,362*	29,257*	618	8,262*	7,814*	490*	42
								92,559	74,001	21,489	1,595	79,910	63,092	19,838	1,182	12,649	10,909	1,651	413
								159,974	111,386	51,489	1,625	132,438	86,718	48,721	1,201	27,536	24,668	2,768	424
								252,533	185,387	72,978	3,220	212,348	149,810	68,559	2,383	40,185	35,577	4,419	837
569	379,666	42,296	113,607	602,984	417,051	72,296	113,637	67,415*	37,385*	30,000*	30*	52,528*	23,626*	28,883*	19*	14,887*	13,759*	1,117*	11*
								106,560	80,939	28,893	1,596	92,724	68,889	27,074	1,182	13,836	12,050	1,819	414
								181,376	127,271	56,305	2,668	147,689	98,303	52,437	1,370	33,687	28,968	3,868	1,298
								287,936	208,210	85,198	4,264	240,413	167,192	79,511	2,552	47,523	41,018	5,687	1,712
019	422,179	48,380*	119,460	664,835	468,511	75,792	120,532	74,816*	46,332*	27,412*	1,072*	54,965*	29,414*	25,363*	188*	19,851*	16,918*	2,049*	884*
								123,817	88,699	38,622	1,673	109,415	75,925	36,729	1,182	14,402	12,774	1,893	491
								203,933	140,514	64,379	4,217	163,873	107,667	58,848	1,779	40,060	32,847	5,531	2,438
								327,750	229,213	103,001	5,890	273,288	183,592	95,577	2,961	54,462	45,621	7,424	2,929
382	460,905	49,188	122,759	712,968	512,720	74,945	125,303	80,116*	51,815*	25,757*	2,544*	54,458*	31,742*	22,119*	597*	25,658*	20,073*	3,638*	1,947*

[fol. 4420]

EXHIBIT X-36

Western Electric Company, Inc.

Summary of Details of Manufacturing Department Surplus Items Resulting in the Net Figures Shown in Exhibit D-80

(Dollars in Thousands)

	Totals				Operating Surplus				Current Underrun			
	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.
Year 1930:												
Additions to gross profit	$11,343	4,509	6,853	.....	2,408	2,346	62	.....	8,935	2,163	6,791	.....
Deductions from gross profit	13,898	10,781	3,136	.....	10,154	8,997	1,157	.....	3,744	1,784	1,979	.....
Total adjustments to gross profit	$25,241	15,290	9,989	.....	12,562	11,343	1,219	.....	12,679	3,947	8,770	.....
Net adjustments to gross profit	$2,555*	6,272*	3,717	.....	7,746*	6,651*	1,095*	.....	5,191	379	4,812	.....
Year 1929:												
Additions to gross profit	$9,607	9,383	2,126	410	6,568	5,613	1,262	229	3,039	3,770	864	181*
Deductions from gross profit	10,856	9,718	2,444	1,006	8,806	8,005	911	426	2,050	1,713	1,533	580
Total adjustments to gross profit	$20,463	19,101	4,570	1,416	15,374	13,618	2,173	655	5,089	5,483	2,397	761
Net adjustments to gross profit	$1,249*	335*	318*	596*	2,238*	2,392*	351	197*	989	2,057	609*	399*
Year 1928:												
Additions to gross profit	$11,635	7,133	4,914	156	6,544	5,759	1,278	57	5,091	1,374	3,636	99
Deductions from gross profit	3,877	3,941	481	23	3,869	3,915	481	23	8	26	.....	.....
Total adjustments to gross profit	$15,512	11,074	5,395	179	10,413	9,674	1,759	80	5,099	1,400	3,636	99
Net adjustments to gross profit	$7,758	3,192	4,433	133	2,675	1,844	797	34	5,083	1,348	3,636	99

EXHIBIT X-36—Continued

Western Electric Company, Inc.

Summary of Details of Manufacturing Department Surplus Items Resulting in the Net Figures Shown in Exhibit D-80

(Dollars in Thousands)

	Totals				Operating Surplus				Current Underrun			
	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.
Year 1927:												
Additions to gross profit	$6,007	2,453	3,637	427	2,444	1,682	1,085	187	3,563	771	2,552	240
Deductions from gross profit	2,985	3,259	229	7	2,985	3,259	229	7	.....	.....	.....	.....
Total adjustments to gross profit	$8,992	5,712	3,866	434	5,429	4,941	1,314	194	3,563	771	2,552	240
Net adjustments to gross profit	$3,022	806*	3,408	420	541*	1,577*	856	180	3,563	771	2,552	240
Year 1926:												
Additions to gross profit	$9,994	8,272	1,825	.....	9,796	8,057	1,739	.....	198	215	89	.....
Deductions from gross profit	3,702	2,321	1,487	.....	2,742	2,321	421	.....	960	.....	1,066	.....
Total adjustments to gross profit	$13,696	10,593	3,315	.....	12,538	10,378	2,160	.....	1,158	215	1,155	.....
Net adjustments to gross profit	$6,292	5,951	341	.....	7,054	5,736	1,318	.....	762*	215	977*	.....
[fol. 4421]												
Year 1925:												
Additions to gross profit	$285	256	20	63	262	233	20	9	23	23	.....	54
Deductions from gross profit	10,332	2,321	8,065	.....	2,162	1,840	322	.....	8,170	481	7,743	.....
Total adjustments to gross profit	$10,617	2,577	8,085	63	2,424	2,073	342	9	8,193	504	7,743	54
Net adjustments to gross profit	$10,047*	2,065*	8,045*	63	1,900*	1,607*	302*	9	8,147*	458*	7,743*	54

Year 1924:												
Additions to gross profit	$5	5	.....	130	5	5	.....	.....	.....	.....	.....	130
Deductions from gross profit	9,271	4,144	5,132	125	4,638	2,944	1,569	125	4,633	1,200	3,563	.....
Total adjustments to gross profit	$9,276	4,149	5,132	255	4,643	2,949	1,569	125	4,633	1,200	3,563	130
Net adjustments to gross profit	$9,266*	4,139*	5,132*	5	4,633*	2,939*	1,569*	125*	4,633*	1,200*	3,563*	130
Year 1923:												
Additions to gross profit	$3,616	3,352	264	.....	3,490	3,285	205	.....	126	67	59	.....
Deductions from gross profit	3,896	1,176	2,720	.....	433	352	81	.....	3,463	824	2,639	.....
Total adjustments to gross profit	$7,512	4,528	2,984	.....	3,923	3,637	286	.....	3,589	891	2,698	.....
Net adjustments to gross profit	$280*	2,176	2,456*	.....	3,057	2,933	124	.....	3,337*	757*	2,580*	.....
Year 1922:												
Additions to gross profit	$1,018	117	677	.....	456	117	333	.....	562	.....	344	.....
Deductions from gross profit	472	142	106	.....	134	22	106	.....	338	120	.....	.....
Total adjustments to gross profit	$1,490	259	783	.....	590	139	439	.....	900	120	344	.....
Net adjustments to gross profit	$546	25*	571	.....	322	95	227	.....	224	120*	344	.....
Year 1921:												
Additions to gross profit	$7,613	3,842	3,793	.....	2,569	2,591	.....	.....	5,044	1,251	3,793	.....
Deductions from gross profit	.....	.....	22	.....	.....	.....	22	.....	.....	.....	.....	.....
Total adjustments to gross profit	$7,613	3,842	3,815	.....	2,569	2,591	22	.....	5,044	1,251	3,793	.....
Net adjustments to gross profit	$7,613	3,842	3,771	.....	2,569	2,591	22*	.....	5,044	1,251	3,793	.....

* Red figures.

[fol. 4422]

EXHIBIT X-37

Western Electric Company, Inc.

Summary of Details of Manufacturing Department Surplus Items

Resulting in the Net Figures Shown in Exhibit D-80 Combined in Groups by Series of Years

(Dollars in Thousands)

	Total				Operating Surplus				Current Underrun			
	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.
Ten year period—Years 1921–1930 incl.:												
Additions to gross profit	$61,123	39,822	24,112	1,186	34,542	29,688	5,984	482	26,581	9,634	18,128	704
Deductions from gross profit	59,289	37,803	23,822	1,161	35,923	31,655	5,299	581	23,366	6,148	18,523	580
Total adjustments to gross profit	$120,412	77,125	47,934	2,347	70,465	61,343	11,283	1,063	49,947	15,782	36,651	1,284
Net adjustments to gross profit	$1,834	1,519	290	25	1,381*	1,967*	685	99*	3,215	3,486	395*	124
Nine year period—Years 1921–1929, incl.:												
Additions to gross profit	$49,780	34,813	17,259	1,186	32,134	27,342	5,922	482	17,646	7,471	11,337	704
Deductions from gross profit	45,391	27,022	20,686	1,161	25,769	22,658	4,142	581	19,622	4,364	16,544	580
Total adjustments to gross profit	$95,171	61,835	37,945	2,347	57,903	50,000	10,064	1,063	37,268	11,835	27,881	1,284
Net adjustments to gross profit	$4,389	7,791	3,427*	25	6,365	4,684	1,780	99*	1,976*	3,107	5,207*	124
Nine year period—Years 1922–1930, incl.:												
Additions to gross profit	$53,510	35,480	20,319	1,186	31,973	27,097	5,984	482	21,537	8,383	14,335	704
Deductions from gross profit	59,289	37,803	23,800	1,161	35,923	31,655	5,277	581	23,366	6,148	18,523	580
Total adjustments to gross profit	$112,799	73,283	44,119	2,347	67,896	58,752	11,261	1,063	44,903	14,531	32,858	1,284
Net adjustments to gross profit	$5,779*	2,323*	3,481*	25	3,950*	4,558*	707	99*	1,829*	2,235	4,188*	124

Eight year period—Years 1921-1928, incl.:												
Additions to gross profit	$40,173	25,430	15,133	776	25,566	21,729	4,660	253	14,607	3,701	10,473	523
Deductions from gross profit	34,535	17,304	18,242	155	16,963	14,653	3,231	155	17,572	2,651	15,011	.....
Total adjustments to gross profit	$74,708	42,734	33,375	931	42,529	36,382	7,891	408	32,179	6,352	25,484	523
Net adjustments to gross profit	$5,638	8,126	3,109*	621	8,603	7,076	1,429	98	2,965*	1,050	4,538*	523
Eight year period—Years 1922-1929, incl.:												
Additions to gross profit	$42,167	30,971	13,466	1,186	29,565	24,751	5,922	482	12,602	6,220	7,544	704
Deductions from gross profit	45,391	27,022	20,664	1,161	25,769	22,658	4,120	581	19,622	4,364	16,544	580
Total adjustments to gross profit	$87,558	57,993	34,130	2,347	55,334	47,409	10,042	1,063	32,224	10,584	24,088	1,284
Net adjustments to gross profit	$3,224*	3,949	7,198*	25	3,796	2,093	1,802	99*	7,020*	1,856	9,000*	124
Eight year period—Years 1923-1930, incl.:												
Additions to gross profit	$52,492	35,363	19,642	1,186	31,517	26,980	5,651	482	20,975	8,383	13,991	704
Deductions from gross profit	58,817	37,661	23,694	1,161	35,789	31,633	5,171	581	23,028	6,028	18,523	580
Total adjustments to gross profit	$111,309	73,024	43,336	2,347	67,306	58,613	10,822	1,063	44,003	14,411	32,514	1,284
Net adjustments to gross profit	$6,325*	2,298*	4,052*	25	4,272*	4,653*	480	99*	2,053*	2,355	4,532*	124
Seven year period—Years 1921-1927, incl.:												
Additions to gross profit	$28,538	18,297	10,219	620	19,022	15,970	3,382	196	9,516	2,327	6,837	424
Deductions from gross profit	30,658	13,363	17,761	132	13,094	10,738	2,750	132	17,564	2,625	15,011	.....
Total adjustments to gross profit	$59,196	31,660	27,980	752	32,116	26,708	6,132	328	27,080	4,952	21,848	424
Net adjustments to gross profit	$2,120*	4,934	7,542*	488	5,928	5,232	632	64	8,048*	298*	8,174*	424
Seven year period—Years 1922-1928, incl.:												
Additions to gross profit	$32,560	21,588	11,340	776	22,997	19,138	4,660	253	9,563	2,450	6,680	523
Deductions from gross profit	34,535	17,304	18,220	155	16,963	14,653	3,209	155	17,572	2,651	15,011	.....
Total adjustments to gross profit	$67,095	38,892	29,560	931	39,960	33,791	7,869	408	27,135	5,101	21,691	523
Net adjustments to gross profit	$1,975*	4,284	6,880*	621	6,034	4,485	1,451	98	8,009*	201*	8,331*	523

EXHIBIT X-37—Continued

[fol. 4423]

Western Electric Company, Inc.

Summary of Details of Manufacturing Department Surplus Items

Resulting in the Net Figures Shown in Exhibit D-80 Combined in Groups by Series of Years

(Dollars in Thousands)

	Total				Operating Surplus				Current Underrun			
	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.
Seven year period—Years 1923-1929, incl.:												
Additions to gross profit	$41,149	30,854	12,789	1,186	29,109	24,634	5,589	482	12,040	6,220	7,200	704
Deductions from gross profit	44,919	26,880	20,558	1,161	25,635	22,636	4,014	581	19,284	4,244	16,544	580
Total adjustments to gross profit	$86,068	57,734	33,347	2,347	54,744	47,270	9,603	1,063	31,324	10,464	23,744	1,284
Net adjustments to gross profit	$3,770*	3,974	7,769*	25	3,474	1,998	1,575	99*	9,244*	1,976	9,344*	124
Seven year period—Years 1924-1930, incl.:												
Additions to gross profit	$48,876	32,011	19,378	1,186	28,027	23,695	5,446	482	20,849	8,316	13,932	704
Deductions from gross profit	54,921	36,485	20,974	1,161	35,356	31,281	5,090	581	19,565	5,204	15,884	580
Total adjustments to gross profit	$103,797	68,496	40,352	2,347	63,383	54,976	10,536	1,063	40,414	13,520	29,816	1,284
Net adjustments to gross profit	$6,045*	4,474*	1,596*	25	7,329*	7,586*	356	99*	1,284	3,112	1,952*	124
Six year period—Years 1921-1926, incl.:												
Additions to gross profit	$22,531	15,844	6,582	193	16,578	14,288	2,297	9	5,953	1,556	4,285	184
Deductions from gross profit	27,673	10,104	17,532	125	10,109	7,479	2,521	125	17,564	2,625	15,011	.....
Total adjustments to gross profit	$50,204	25,948	24,114	318	26,687	21,767	4,818	134	23,517	4,181	19,296	184
Net adjustments to gross profit	$5,142*	5,740	10,950*	68	6,469	6,809	224*	116*	11,611*	1,069*	10,726*	184

Six year period—Years 1922-1927, incl.:												
Additions to gross profit	$20,925	14,455	6,426	620	16,453	13,379	3,382	196	4,472	1,076	3,044	424
Deductions from gross profit	30,658	13,363	17,739	132	13,094	10,738	2,728	132	17,564	2,625	15,011	.....
Total adjustments to gross profit	$51,583	27,818	24,165	752	29,547	24,117	6,110	328	22,036	3,701	18,055	424
Net adjustments to gross profit	$9,733*	1,092	11,313*	488	3,359	2,641	654	64	13,092*	1,549*	11,967*	424
Six year period—Years 1923-1928, incl.:												
Additions to gross profit	$31,542	21,471	10,663	776	22,541	19,021	4,327	253	9,001	2,450	6,336	523
Deductions from gross profit	34,063	17,162	18,114	155	16,829	14,631	3,103	155	17,234	2,531	15,011	.....
Total adjustments to gross profit	$65,605	38,633	28,777	931	39,370	33,652	7,430	408	26,235	4,981	21,347	523
Net adjustments to gross profit	$2,521*	4,309	7,451*	621	5,712	4,390	1,224	98	8,233*	81*	8,675*	523
Six year period—Years 1924-1929, incl.:												
Additions to gross profit	$37,533	27,502	12,525	1,186	25,619	21,349	5,384	482	11,914	6,153	7,141	704
Deductions from gross profit	41,023	25,704	17,838	1,161	25,202	22,284	3,933	581	15,821	3,420	13,905	580
Total adjustments to gross profit	$78,556	53,206	30,363	2,347	50,821	43,633	9,317	1,063	27,735	9,573	21,046	1,284
Net adjustments to gross profit	$3,490*	1,798	5,313*	25	417	935*	1,451	99*	3,907*	2,733	6,764*	124
Six year period—Years 1925-1930, incl.:												
Additions to gross profit	$48,871	32,006	19,378	1,056	28,022	23,690	5,446	482	20,849	8,316	13,932	574
Deductions from gross profit	45,650	32,341	15,842	1,036	30,718	28,337	3,521	456	14,932	4,004	12,321	580
Total adjustments to gross profit	$94,521	64,347	35,220	2,092	58,740	52,027	8,967	938	35,781	12,320	26,253	1,154
Net adjustments to gross profit	$3,221	335*	3,536	20	2,696*	4,647*	1,925	26	5,917	4,312	1,611	6*

* Red figures.

[fol. 4424]

EXHIBIT X-38

Western Electric Company, Inc.

Comparison of Total Amounts of Manufacturing, Inventory and Reserves Adjustments with Amounts Thereof Included in Exhibit D-80

(Dollars in Thousands)

	Totals				Included in Exhibit D-80				Not included in Exhibit D-80			
	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.
Year 1930:												
Additions to gross profit	$14,001	6,938	7,404	1	11,343	4,509	6,853		2,658	2,429	551	1
Deductions from gross profit	21,402	15,885	4,816	1,043	13,898	10,781	3,136	.....	7,504	5,104	1,680	1,043
Total adjustments to gross profit	$35,403	22,823	12,220	1,044	25,241	15,290	9,989	.....	10,162	7,533	2,231	1,044
Net adjustments to gross profit	$7,401*	8,947*	2,588	1,042*	2,555*	6,272*	3,717	.....	4,846*	2,675*	1,129*	1,042*
Year 1929:												
Additions to gross profit	$17,842	16,925	2,899	389	9,607	9,383	2,126	410	8,235	7,542	773	21*
Deductions from gross profit	21,994	20,134	3,152	1,079	10,856	9,718	2,444	1,006	11,138	10,416	708	73
Total adjustments to gross profit	$39,836	37,059	6,051	1,468	20,463	19,101	4,570	1,416	19,373	17,958	1,481	52
Net adjustments to gross profit	$4,152*	3,209*	253*	690*	1,249*	335*	318*	596*	2,903*	2,874*	65	94*
Year 1928:												
Additions to gross profit	$16,777	12,111	5,145	205	11,635	7,133	4,914	156	5,142	4,978	231	49
Deductions from gross profit	11,130	11,099	688	27	3,877	3,941	481	23	7,253	7,158	207	4
Total adjustments to gross profit	$27,907	23,210	5,833	232	15,512	11,074	5,395	179	12,395	12,136	438	53
Net adjustments to gross profit	$5,647	1,012	4,457	178	7,758	3,192	4,433	133	2,111*	2,180*	24	45
Year 1927:												
Additions to gross profit	$13,374	8,818	4,603	594	6,007	2,453	3,637	427	7,367	6,365	966	167
Deductions from gross profit	5,331	5,383	552	37	907	1,352	65	.....	4,424	4,031	487	37

Total adjustments to gross profit....	$18,705	14,201	5,155	631	6,914	3,805	3,702	427	11,791	10,396	1,453	204
Net adjustments to gross profit.....	$8,043	3,435	4,051	557	5,100	1,101	3,572	427	2,943	2,334	479	130
Year 1926:												
Additions to gross profit.....	$12,347	10,458	2,055	.....	9,808	8,086	1,828	.....	2,539	2,372	227	.....
Deductions from gross profit.....	10,108	7,823	2,321	130	2,481	1,278	1,309	.....	7,627	6,545	1,012	130
Total adjustments to gross profit....	$22,455	18,281	4,376	130	12,289	9,364	3,137	.....	10,166	8,917	1,239	130
Net adjustments to gross profit.....	$2,239	2,635	266*	130*	7,327	6,808	519	.....	5,088*	4,173*	785*	130*
[fol. 4425]												
Year 1925:												
Additions to gross profit.....	$4,100*	4,022	71	71	262	233	20	63	3,838	3,789	51	8
Deductions from gross profit.....	15,379	7,297	8,146	.....	10,332	2,321	8,065	.....	5,047	4,976	81	.....
Total adjustments to gross profit....	$19,479	11,319	8,217	71	10,594	2,554	8,085	63	8,885	8,765	132	8
Net adjustments to gross profit.....	$11,279*	3,275*	8,075*	71	10,070*	2,088*	8,045*	63	1,209*	1,187*	30*	8
Year 1924:												
Additions to gross profit.....	$4,395	4,308	87	131	.....	.....	.....	130	4,395	4,308	87	1
Deductions from gross profit.....	11,863	6,737	5,132	125	9,262	4,135	5,132	125	2,601	2,602	.....	.....
Total adjustments to gross profit....	$16,258	11,045	5,219	256	9,262	4,135	5,132	255	6,996	6,910	87	1
Net adjustments to gross profit.....	$7,468*	2,429*	5,045*	6	9,262*	4,135*	5,132*	5	1,794	1,706	87	1
Year 1923:												
Additions to gross profit.....	$5,638	5,017	664	.....	3,616	3,352	264	.....	2,022	1,665	400	.....
Deductions from gross profit.....	6,141	3,427	2,757	.....	3,896	1,176	2,720	.....	2,245	2,251	37	.....
Total adjustments to gross profit....	$11,779	8,444	3,421	.....	7,512	4,528	2,984	.....	4,267	3,916	437	.....
Net adjustments to gross profit.....	$503*	1,590	2,093*	.....	280*	2,176	2,456*	.....	223*	586*	363	.....

EXHIBIT X-38—Continued

Western Electric Company, Inc.

Comparison of Total Amounts of Manufacturing, Inventory and Reserves Adjustments with Amounts Thereof Included in Exhibit D–80

(Dollars in Thousands)

	Totals				Included in Exhibit D–80				Not included in Exhibit D–80			
	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.	Total	T. A.	L. C. C.	Supp.
Year 1922:												
Additions to gross profit	$1,439	406	1,145	.....	1,018	117	677	.....	421	289	468	.....
Deductions from gross profit	5,523	5,342	216	77	472	142	106	.....	5,051	5,200	110	77
Total adjustments to gross profit	$6,962	5,748	1,361	77	1,490	259	783	.....	5,472	5,489	578	77
Net adjustments to gross profit	$4,084*	4,936*	929	77*	546	25*	571	.....	4,630*	4,911*	358	77*
Year 1921:												
Additions to gross profit	$9,376	5,308	4,090	38	7,613	3,842	3,793	.....	1,763	1,466	297	38
Deductions from gross profit	2,979	2,965	74	.....	.....	.....	22	.....	2,979	2,965	52	.....
Total adjustments to gross profit	$12,355	8,273	4,164	38	7,613	3,842	3,815	.....	4,742	4,431	349	38
Net adjustments to gross profit	$6,397	2,343	4,016	38	7,613	3,842	3,771	.....	1,216*	1,499*	245	38

* Red figures.

[fol. 4426]

EXHIBIT X-39

Western Electric Company, Inc.

Division of Operating Surplus

Total Apparatus and Equipment and Lead Covered Cable

1921 to 1930, Inclusive

(Dollars in Thousands)

Year	Total	Process merchandise	Labor increment	Expense loading
1921	$2,569	(1,563)	402	3,730
1922	322	694	214	(586)
1923	3,057	755	(375)	2,677
1924	(4,633)	(4,625)	(253)	245
1925	(1,900)	4,908	342	(7,150)
1926	7,054	8,732	(578)	(1,100)
1927	(543)	5,819	80	(6,442)
1928	2,675	4,104	(644)	(785
1929	(2,238)	(5,939)	(3,061)	6,762
1930	(7,746)	(518)	701	(7,929)
Total 1921 to 1930	($1,898)	12,367	(3,172)	(10,578)

(Here follow Exhibits X-40, 41, 42, 43, 44, 45, 46, 47, side folios 4427-4434)

EXHIBIT X-40

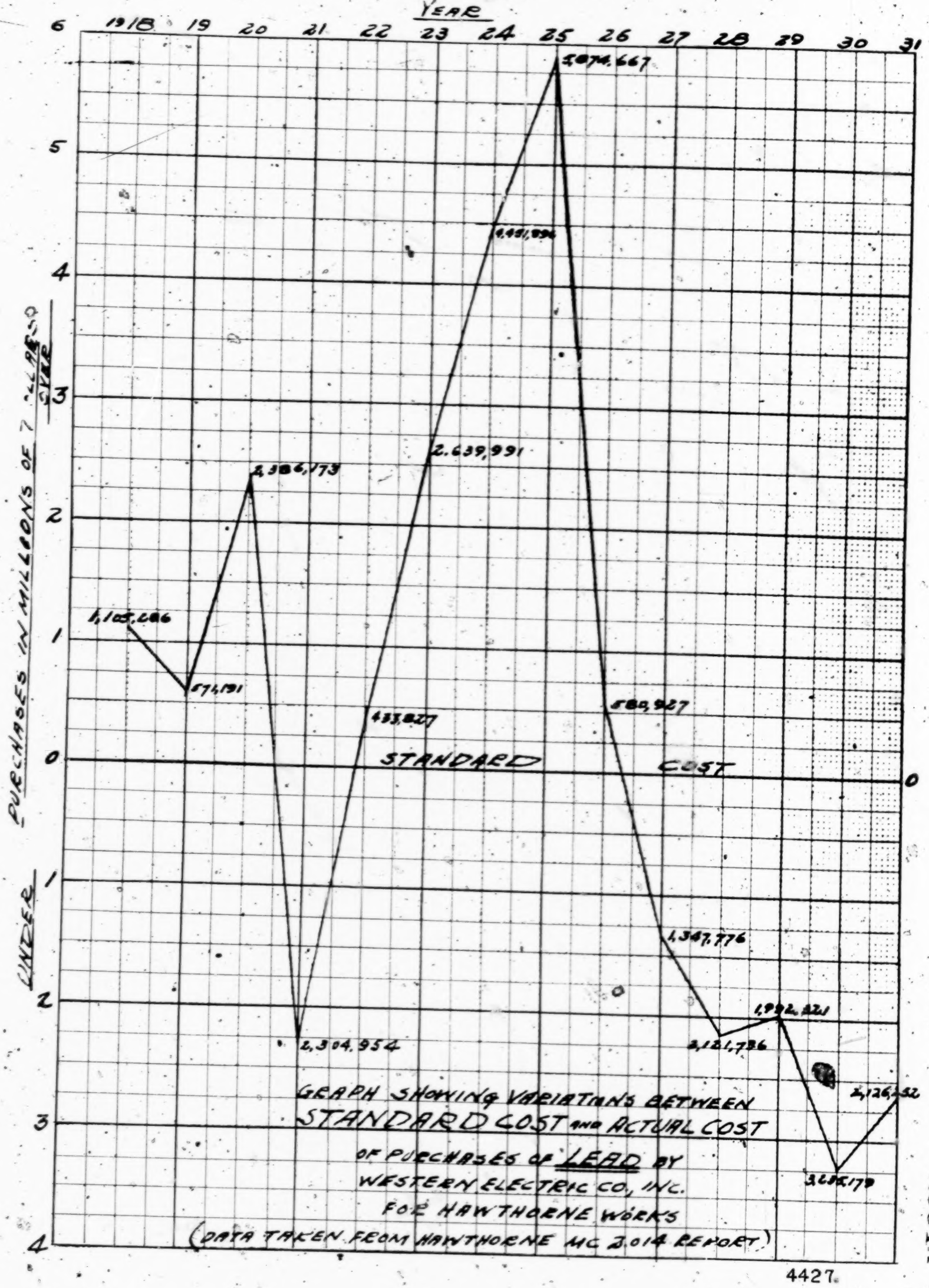

YEAR
18
19
20
21
22
23
24
25
26
27
28
29
30
31
6
5
4
3
2
1
0
1
2
3
4
PURCHASES IN MILLIONS OF DOLLARS PER YEAR
UNDER
1,105,286
574,191
2,386,173
2,304,954
433,827
2,639,991
4,451,894
5,074,667
889,927
1,347,776
2,121,736
1,992,821
3,695,179
2,126,532
STANDARD COST
GRAPH SHOWING VARIATIONS BETWEEN STANDARD COST AND ACTUAL COST OF PURCHASES OF LEAD BY WESTERN ELECTRIC CO., INC. FOR HAWTHORNE WORKS
(DATA TAKEN FROM HAWTHORNE MC 3.014 REPORT)
4427
190414

EXHIBIT X-41

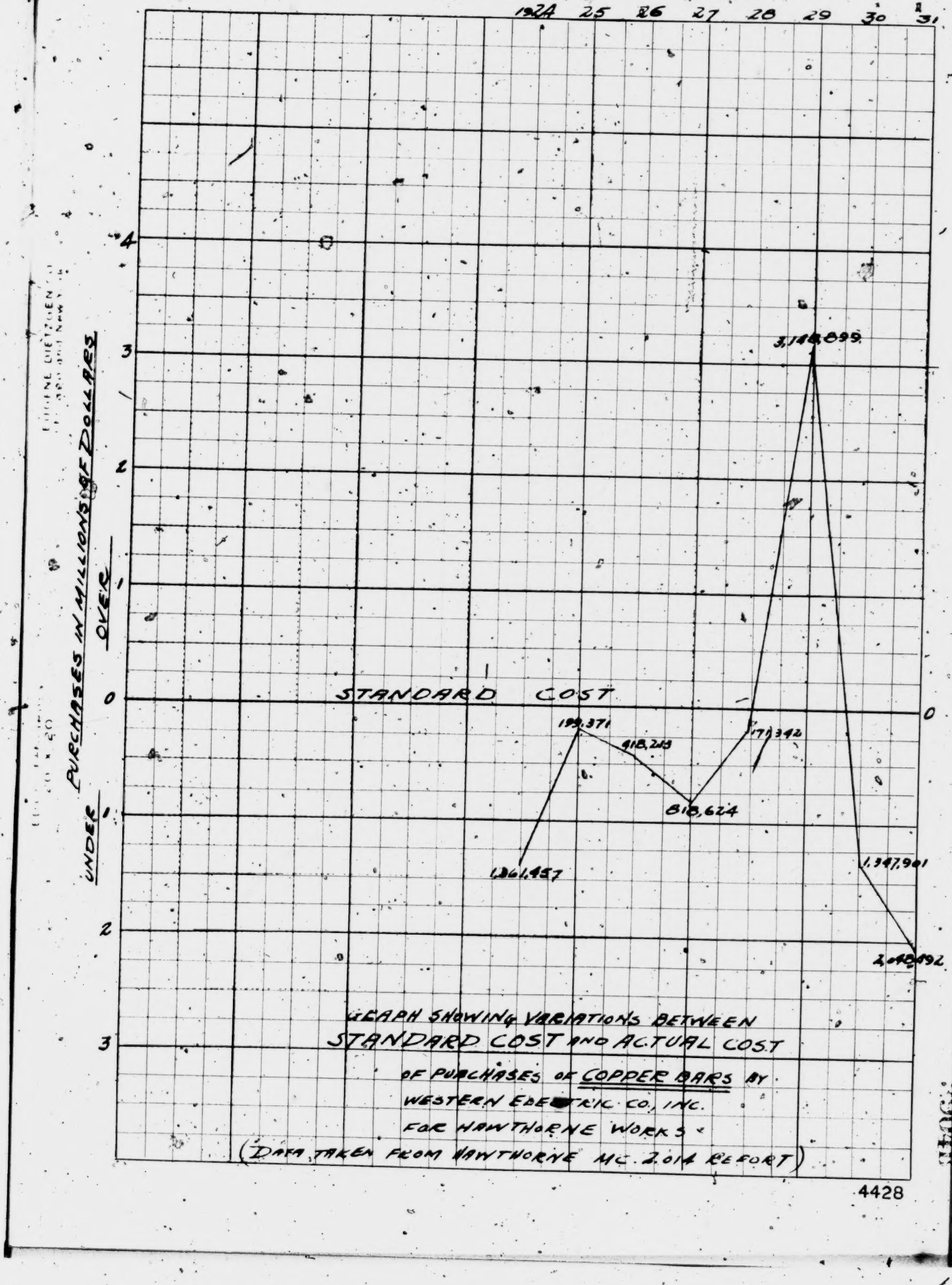

YEAR
1924 25 26 27 28 29 30 31
4
3
2
1
0
1
2
3
PURCHASES IN MILLIONS OF DOLLARS
OVER
UNDER
STANDARD COST
3,144,099
199,371
918,243
171,342
818,624
1,361,457
1,947,901
2,040,892
GRAPH SHOWING VARIATIONS BETWEEN
STANDARD COST AND ACTUAL COST
OF PURCHASES OF COPPER BARS BY
WESTERN ELECTRIC CO., INC.
FOR HAWTHORNE WORKS
(DATA TAKEN FROM HAWTHORNE MC. 2.014 REPORT)

EXHIBIT X-42 ·42 ~~X138~~

1918 '19 '20 '21 '22 '23 '24 '25 '26 '27 '28 '29 '30 '31

80%
70%
60%
50%
40%
30%
20%
10%
0
10%
20%
30%
40%
50%

OVER

VARIATION

UNDER

(65.6%) (76.0%) (26.4%) (50.3%) (47.5%) (77.9%) (4.4%) (5.0%) (6.4%) (22.1%) (5.5%) (30.3%) (48.0%)

STANDARD COST

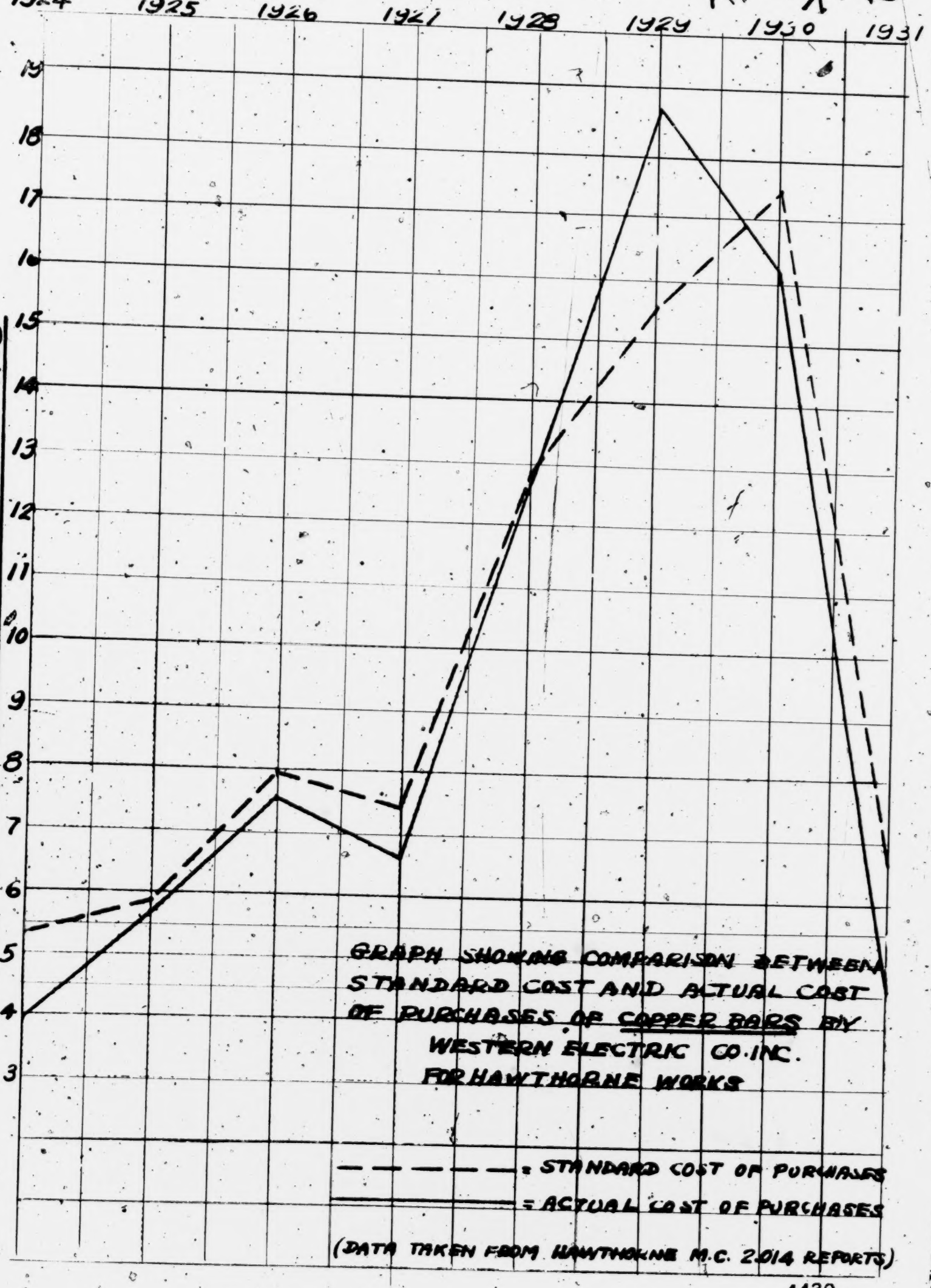
GRAPH SHOWING VARIATION
(EXPRESSED IN PERCENTAGES)
BETWEEN STANDARD COST AND ACTUAL COST
OF PURCHASES OF LEAD BY
WESTERN ELECTRIC CO., INC.
FOR HAWTHORNE WORKS

(DATA TAKEN FROM HAWTHORNE MC 2.014 REPORTS)

4429

EXHIBIT X-43

~~X-42~~ X-43



GRAPH SHOWING COMPARISON BETWEEN STANDARD COST AND ACTUAL COST OF PURCHASES OF COPPER BARS BY WESTERN ELECTRIC CO. INC. FOR HAWTHORNE WORKS

— — — — — = STANDARD COST OF PURCHASES

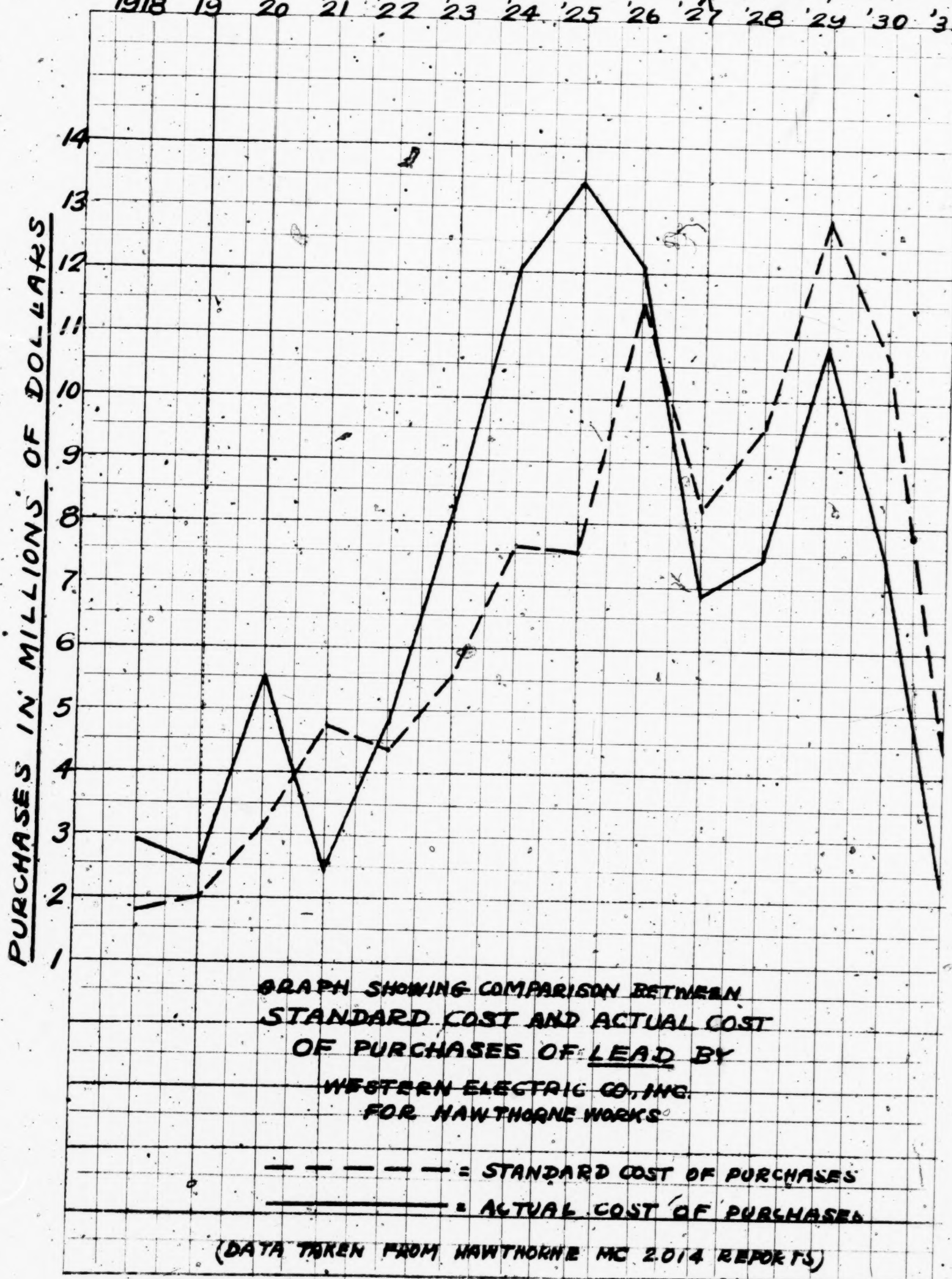
——————— = ACTUAL COST OF PURCHASES

(DATA TAKEN FROM HAWTHORNE M.C. 2.014 REPORTS)

4430

39041

EXHIBIT X-44 ~~X-43~~ X-44



GRAPH SHOWING COMPARISON BETWEEN STANDARD COST AND ACTUAL COST OF PURCHASES OF LEAD BY WESTERN ELECTRIC CO., INC. FOR HAWTHORNE WORKS

— — — — — = STANDARD COST OF PURCHASES

——————— = ACTUAL COST OF PURCHASES

(DATA TAKEN FROM HAWTHORNE MC 2.014 REPORTS)

4431

3904

EXHIBIT X-45 ← X-45 ~~X-44~~

1918 '19 '20 '21 '22 '23 '24 '25 '26 '27 '28 '29 '30 '31

COST PER 100 POUNDS

9.00
8.00
7.00
6.00
5.00
4.00

EUGENE DIETZGEN

GRAPH SHOWING COMPARISON BETWEEN
STANDARD COST AND ACTUAL COST
OF LEAD PURCHASED BY
WESTERN ELECTRIC CO INC
FOR HAWTHORNE WORKS
PER 100 POUNDS

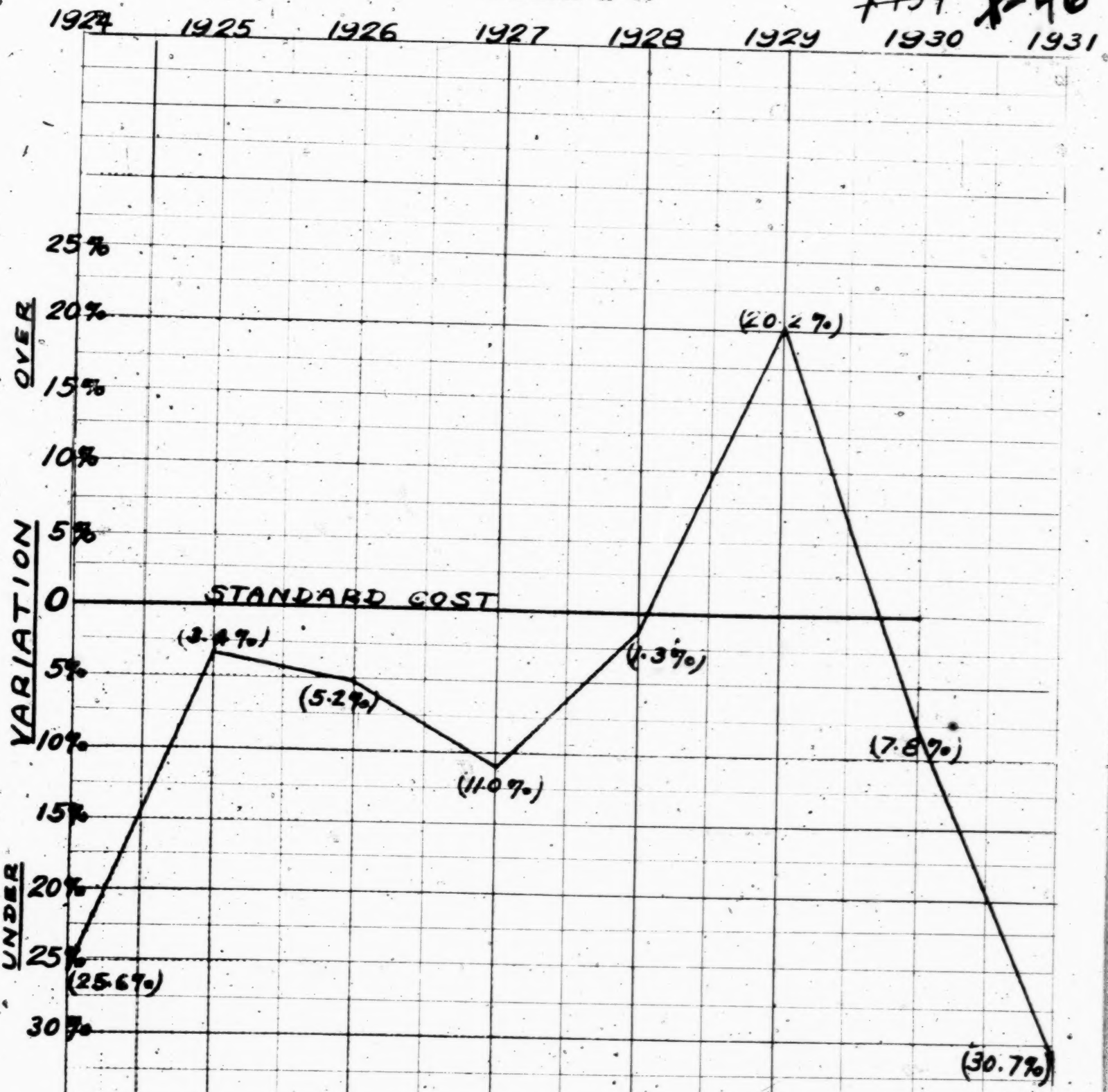
— — — — — = STANDARD COST
———————— = ACTUAL COST

(DATA TAKEN FROM HAWTHORNE MC 2.014 REPORTS)

4432

EXHIBIT X-46

~~X-134~~ X-46



GRAPH SHOWING VARIATION
(EXPRESSED IN PERCENTAGES)
BETWEEN STANDARD COST AND ACTUAL COST
OF PURCHASES OF COPPER BARS BY
WESTERN ELECTRIC CO., INC.
FOR HAWTHORNE WORKS

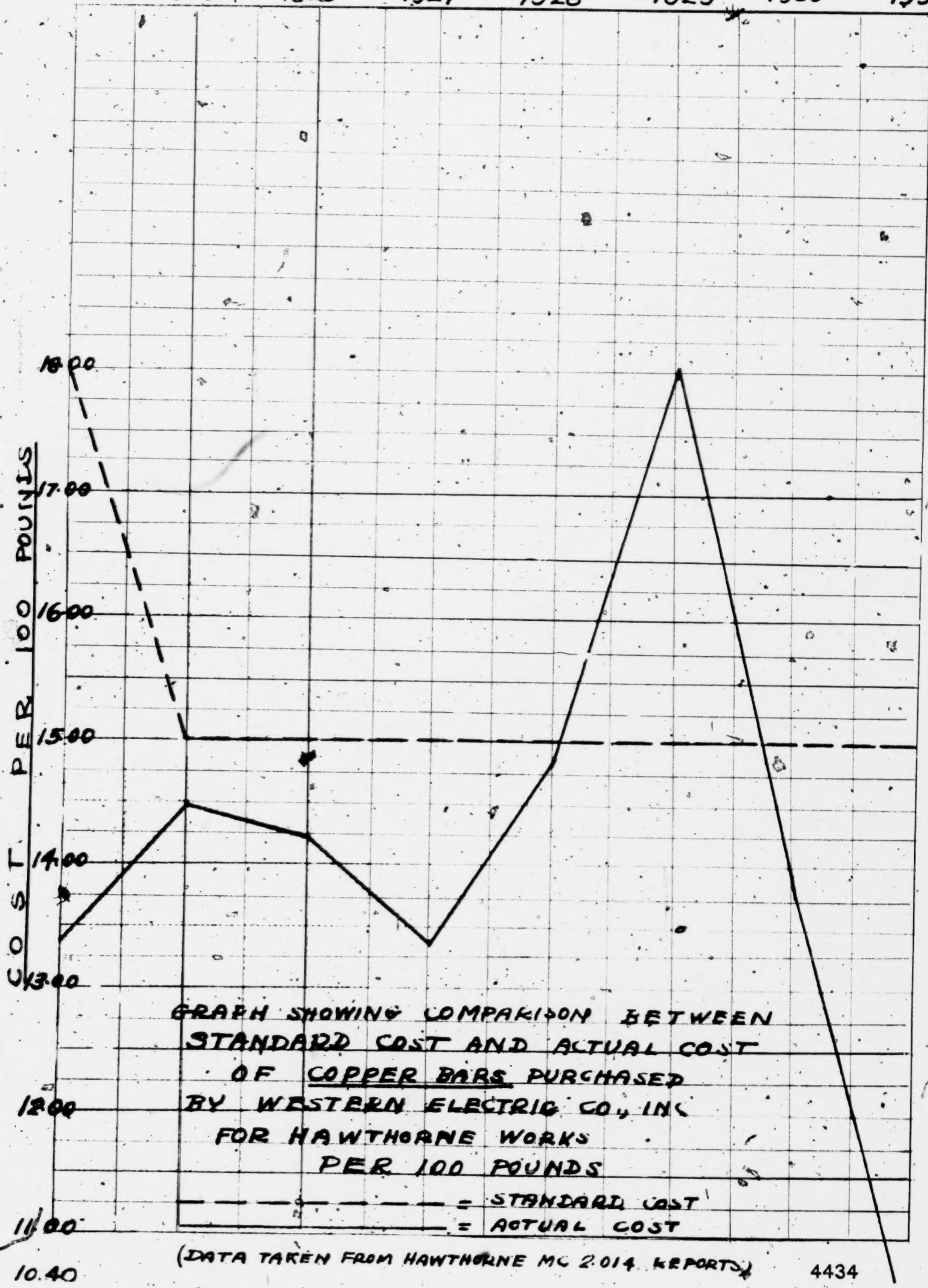
(DATA TAKEN FROM HAWTHORNE MC 2.014 REPORTS)

4433

EUCO EFFICIENCY
20 X 20

EXHIBIT X-47

X-47 ~~X-43~~



GRAPH SHOWING COMPARISON BETWEEN STANDARD COST AND ACTUAL COST OF COPPER BARS PURCHASED BY WESTERN ELECTRIC CO., INC. FOR HAWTHORNE WORKS PER 100 POUNDS

- - - - - - - - = STANDARD COST

_____ = ACTUAL COST

(DATA TAKEN FROM HAWTHORNE MC 2.014 REPORTS)

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[fol. 4435] EXHIBIT X-47A

Western Electric Company, Inc.

Standard Cost per Hundred of Selected Items, with Dates Adoption as Extracted from Bulletin A 451-1 of Indicated Years (Hawthorne Plant)

Cable switchboard No. 1016:		
1930	9-28-31	$12.00
1928-29	6-25-28	14.00
1927	12-31-26	13.80
Cable switchboard No. 1024:		
1930	9-28-31	$8.90
1928-29	6-25-28	9.70
1927	12-31-26	9.87
Cable switchboard No. 1070:		
1930	9-28-31	$16.00
1928-29	6-25-28	18.00
1927	12-31-26	17.90
Condenser, mounted type, unequipped No. 33-A:		
1930	3-11-30	$19.00
1928-29	5-29-28	17.00
1927	6-16-27	19.10
1926	6-19-26	19.60
1925	4-30-25	17.80
1924	10-28-24	17.10
1923	12-31-22	17.50
1922	7-17-22	16.20
1921	12-31-20	24.50
1920	3-31-20	18.00
1919	12-31-18	14.80
1918	12-31-17	11.00
1917	1- 1-16	10.70
1916	12-30-16	10.30
Induction coils No. 13:		
1930	8-20-31	$28.00
1928-29	4- 6-29	25.00
1927	12-31-26	31.60
1926	2- 5-26	29.70
1925	5-26-25	36.80
1924	6- 9-24	31.00
1923	3-15-23	29.70
1922	7-20-22	29.70
1922	9-15-21	35.00
1920	4-21-20	33.30
1919	1- 9-19	25.10
1918	5- 1-18	20.30
1917	1- 1-16	16.40
1916	12-30-16	20.70
Induction coils No. 46:		
1930	8-20-31	$33.00
1928-29	4- 6-29	32.00
1927	12-31-26	33.50
1926	2- 5-26	36.30
1925	5-26-25	38.70
Induction coils No. 46 (Cont'd):		
1924	6- 9-21	$39.60
1923	3-15-23	40.00
1922	7-20-22	41.60
1921	9-15-21	48.00
1920	4-21-20	41.20
Terminal strips No. 35:		
1930	11-23-31	$51.00
1928-29	12- 1-27	47.00
1926	6-19-26	53.80
1925	12-31-24	59.30
1924	8-19-24	55.30
1923	12-31-22	60.80
1922	1- 7-22	63.70
1921	8- 2-21	67.90
1920	12-31-19	57.70
1919	12-31-18	44.10
1918	12-31-17	37.20
1917	1- 1-16	37.90
1916	12-30-16	36.50
Terminal strips No. 36:		
1930	11-23-31	$60.00
1928-29	12- 1-27	55.00
1927	12-31-26	60.80
1926	6-19-26	62.80
1925	12-31-24	69.60
1924	8-19-24	66.20
1923	12-31-22	73.00
1922	1- 7-22	68.40
1921	8- 2-21	76.70
1920	12-31-19	70.80
1919	12-31-18	53.40
1918	12-31-17	45.10
1917	1- 1-16	45.60
1916	12-30-16	44.20
Repeating coils No. 25-A:		
1930	4-10-31	$467.00
1928-29	12-28-27	418.00
1927	1- 5-27	413.00
1926	5-24-26	494.00
1925	1- 5-25	383.00
1924	10-27-24	355.00
1923	12-31-22	347.00
1922	12-31-21	329.00
1921	8- 2-21	460.00
1920	4-23-20	316.00
1919	12-31-18	303.00
1918	12-31-17	255.00
1917	7-18-16	235.00
1916	12-30-16	253.00

EXHIBIT X-47A—Continued

Western Electric Company, Inc.

Standard Cost per Hundred of Selected Items, with Dates Adoption as Extracted from Bulletin A 451-1 of Indicated Years (Hawthorne Plant)

[fol. 4436]

Repeating coils No. 26-A:

1930	4-10-31	$303.00
1928-29	12-28-27	283.00
1927	1- 5-27	210.00
1926	5-24-26	258.00
1925	1-25-25	205.00
1924	10-27-24	187.00
1923	12-31-22	181.00
1922	12-31-21	170.00
1921	8- 2-21	237.00
1920	4-23-20	163.00
1919	12-31-18	156.00
1918	12-31-17	131.00
1917	7-18-16	138.00
1916	12-31-16	130.00

Repeating coils No. 76-A:

1930	4-10-31	$567.00
1928-29	4- 7-28	543.00
1927	4-27-27	487.00
1926	5-24-26	624.00
1923	1- 5-25	532.00
1924	10-27-24	499.00

Cords without plugs No. S3-A:

1930	7-27-31	$27.00
1928-29	12-31-27	32.00
1927	9-10-27	30.40

Cords without plugs No. S3-B:

1930	7-27-31	$29.00
1928-29	12-31-27	32.00
1927	9-10-27	31.00

Jacks, unmounted, No. 49:

1930	3- 2-31	$5.30
1928-29	8-13-28	4.80
1927	6-25-27	4.93
1926	8-23-26	6.10
1925	10- 5-25	5.98
1924	10-23-24	6.16
1922	6- 2-22	6.18
1921	7-23-21	7.02

Jacks, unmounted, No. 92:

1930	3- 2-31	$4.00
1928-29	8-13-28	3.40
1927	6-25-27	3.50
1926	8-23-26	3.69
1925	4-30-25	3.90
1924	10-23-24	4.10
1922	6- 2-22	4.34
1921	7-23-21	5.06

Plugs, unassembled, No. 109:

1930	11-23-31	$31.00
1928-29	2-24-28	37.00
1927	12-31-27	37.40
1926	8-23-26	42.20
1925	7-30-25	39.50
1924	12-31-23	40.60
1923	12-31-22	41.00
1922	11-21-22	38.70
1921	8-20-21	51.40
1920	3-31-30	36.00
1919	1-13-19	21.70
1918	12-31-17	19.60
1917	1- 1-16	20.40
1916	12-30-16	19.00

Plugs, unassembled, No. 110:

1930	11-23-31	$31.00
1928-29	2-24-28	37.00
1927	12-31-27	37.30
1926	8-23-26	42.50
1925	7-30-25	39.50
1924	12-31-23	41.00
1923	12-31-22	44.20
1922	11-21-22	37.40
1921	8-20-21	50.30
1920	3-31-20	37.50
1919	1-13-19	27.50
1918	12-31-17	24.70
1917	1- 1-16	22.80
1916	12-30-16	23.30

Relay No. E-4:

1930	7-27-31	$70.00
1928-29	3-29-28	80.00
1927	7-12-27	72.00
1926	8-23-26	88.60
1925	7-30-25	87.80
1924	9-27-24	90.30
1923	9- 7-23	96.20
1922	10-16-22	96.50
1921	10-11-21	93.40
1920	3-30-20	77.20
1919	12-31-18	66.30
1918	12-31-17	45.30

Loading coils No. 615:

1930	12-31-29	$154.00
1928-29	12-24-28	173.00

Loading coils No. 704:

1930	12-31-29	$650.00
1928-29	12-24-28	959.00

EXHIBIT X-47A—Continued

Western Electric Company, Inc.

Standard Cost per Hundred of Selected Items, with Dates Adoption as Extracted from Bulletin A 451-I of Indicated Years (Hawthorne Plant)

[fol. 4437]

Loading coils No. 702:

1930	12-31-29	$420.00
1929-30	12-24-28	525.00

Telephone sets No. 1533A, unequipped:

1930	3-25-31	$197.00
1928-29	12- 1-27	197.00
1927	12-31-26	204.00
1926	4-16-26	221.00
1925	5- 2-25	240.00
1924	1-14-24	244.00
1922	8-23-22	231.00
1921	4-25-21	271.00
1920	4-23-20	207.00
1919	7- 7-19	178.00
1918	5- 1-18	155.00

Telephone sets No. 1533A, equipped:

1930	3-25-31	$513.00
1928-29	12- 1-27	519.00
1927	12-31-26	538.00
1926	4-16-26	577.00
1925	5- 2-25	596.00
1924	1-14-24	600.00
1922	8-23-22	588.00
1921	4-25-21	716.00
1920	4-23-20	540.00
1919	6- 7-19	450.00
1918	5- 1-18	400.00

Calling dial No. 2AA, unequipped:

1930	7-27-31	$197.00
1928-29	12- 1-27	220.00
1927	12-31-26	235.00
1926	12-31-25	286.00
1925	12-31-24	293.00
1924	8-27-24	287.00
1923	12-31-22	308.00
1922	7-17-22	295.00

Calling dial No. 2AA, equipped:

1930	7-27-31	$207.00
1928-29	12- 1-27	234.00
1927	12-31-26	249.00
1926	12-31-25	301.00
1925	12-31-24	306.00
1924	8-27-24	300.00
1923	12-31-22	324.00
1922	7-17-22	309.00

Switchboard, lever type, key No. 102A:

1930	11-23-31	$214.00
1928-29	8-13-28	225.00
1927	6-16-27	225.00
1926	7-10-26	243.00
1925	6-30-25	242.00
1924	10-23-24	255.00
1923	6-18-23	246.00
1922	12-31-21	190.00

Telephone repeater sets, 22A1-A-133506:

1930	3- 8-30	$1,580.00
1928-29	8-13-28	2,270.00
1927	12-31-26	2,410.00
1926	12-31-25	2,870.00
1925	5- 2-25	3,170.00

Telephone repeater sets, 44A1-A132590:

1930	3- 8-30	$2,080.00
1928-29	8-13-28	2,600.00
1927	12-31-26	2,970.00
1926	12-31-25	3,120.00
1925	5- 2-25	3,780.00

[fol. 4438]

EXHIBIT X-48

Western Electric Company, Inc.

Average Investment, Net Profits and Percentage of Return (per Exhibits A-77 and A-79)—Bell and non-Bell Business for the Years 1916 to 1930

(Dollars in Thousands)

Year	Average investment per Exhibits A-77 and A-79	Net profit per Exhibits A-77 and A-79	% Return on investment
1916	$ 59,095	3,870	6.5
1917	82,958	5,800	7.0
1918	93,790	6,034	6.4
1919	92,858	5,376	5.8
1920	125,471	7,290	5.8
1921	152,511	8,474	5.6
1922	140,343	8,034	5.7
1923	150,771	9,115	6.0
1924	178,920	13,245	7.4
1925	184,469	15,580	8.4
1926	172,622	14,247	8.3
1927	178,557	18,165	10.2
1928	176,580	19,876	11.3
1929	230,926	23,761	10.3
1930	289,354	42,934	4.5

[fol. 4439]

EXHIBIT X-49

Western Electric Company, Inc.

Average Investment per Exhibits A-77 and A-79 Adjusted to Exclude Excessive Cash, Current Liabilities, Reserve for Pension Fund, and Reserve for Depreciation—Bell and Non-Bell Business

(Dollars in Thousands)

Year	Average investment per Exhibits A-77 and A-79	Excess cash	Notes Payable		Reserve for Pension Fund	Working reserves (part interest and taxes, part Accounts payable)	Total adjustments	Average investment per Exhibits A-77 and A-79 adjusted		
			Others	Trustees of Pension Fund				Before depreciation	Reserve for depreciation	After depreciation
1916	$59,095	2,558	2,808	.....	1,000	.....	6,366	52,729	12,472	40,257
1917	82,958	2,299	9,423	.....	1,000	.....	12,722	70,236	13,924	56,312
1918	93,790	.....	11,686	.....	1,500	.....	13,186	80,604	15,665	64,939
1919	92,858	.....	9,694	.....	1,600	.....	11,294	81,564	17,239	64,325
1920	125,471	901	23,020	.....	1,600	.....	25,521	99,950	19,218	80,732
1921	152,511	3,343	38,289	.....	1,600	.....	43,232	109,279	21,781	87,498
1922	140,343	3,660	17,185	.....	1,600	.....	22,445	117,898	24,502	93,396
1923	150,771	.....	23,077	.....	2,000	.....	25,077	125,694	27,847	97,847
1924	178,920	1,644	18,553	.....	2,000	.....	22,197	156,723	32,740	123,983
1925	184,469	20,561	465	.....	4,775	.....	25,801	158,668	33,290	125,378
1926	172,622	.....	.....	.....	10,638	7,858	18,496	154,126	36,296	117,830
1927	178,557	.....	2,608	.....	15,364	11,110	29,082	149,475	40,112	109,363
1928	176,580	.....	18,646	Included in others	1,533	6,912	27,091	149,489	42,273	107,216
1929	230,926	.....	26,485	22,371	.....	9,847	58,703	172,223	44,868	127,355
1930	289,354	.....	25,412	27,823	.....	7,784	61,019	228,335	51,388	176,947

3909

EXHIBIT X-49—Continued

[fol. 4440]

Western Electric Company, Inc.

Average Investment per Exhibit A-77 Adjusted to Exclude Excessive Cash, Current Liabilities (Including Reserve for Pension Fund), and Reserve for Depreciation

(Dollars in Thousands)

Year	Average investment per Exhibit A-77	Adjustments			Average investment per Exhibit A-77 adjusted		
		Excess cash	Payables	Total adjustments	Before depreciation	Reserve for depreciation	After depreciation
1916	$46,112	1,778	2,635	4,413	41,699	9,915	31,784
1917	66,184	1,428	7,484	8,912	57,272	11,668	45,604
1918	70,685	.....	7,793	7,793	62,892	12,532	50,360
1919	69,939	.....	5,884	5,884	64,055	13,826	50,229
1920	98,914	653	14,378	15,031	83,883	16,451	67,432
1921	125,330	2,698	25,409	28,107	97,223	19,211	78,012
1922	123,089	3,100	12,905	16,005	107,084	22,150	84,934
1923	131,504	.....	17,454	17,454	114,050	25,007	89,043
1924	158,488	1,371	15,230	16,601	141,887	29,499	112,388
1925	163,085	18,340	3,841	22,181	140,904	29,661	111,243
1926	160,255	.....	16,924	16,924	143,331	32,812	110,519
1927	167,371	.....	28,006	28,006	139,365	36,903	102,462
1928	161,378	.....	25,438	25,438	135,940	37,412	98,528
1929	204,507	.....	53,302	53,302	151,205	38,766	112,439
1930	270,556	.....	56,992	56,992	213,564	47,637	165,927

[fol. 4441]

Western Electric Company, Inc.

Average Investment per Exhibit A-79 Adjusted to Exclude Excessive Cash, Current Liabilities (Including Reserve for Pension Fund), and Reserve for Depreciation—Non-Bell Business

(Dollars in Thousands)

Year	Average investment per Exhibit A-79	Adjustments			Average investment per Exhibit A-79 adjusted		
		Excess cash	Payables	Total adjustments	Before depreciation	Reserve for depreciation	After depreciation
1916	$12,983	780	1,173	1,953	11,030	2,557	8,473
1917	16,774	871	2,939	3,810	12,964	2,256	10,708
1918	23,105	.....	5,393	5,393	17,712	3,133	14,579
1919	22,919	.....	5,410	5,410	17,509	3,413	14,096
1920	26,557	248	10,242	10,490	16,067	2,767	13,300
1921	27,181	645	14,480	15,125	12,056	2,570	9,486
1922	17,254	560	5,880	6,440	10,814	2,352	8,462
1923	19,267	.....	7,623	7,623	11,644	2,840	8,804
1924	20,432	[redacted]	5,323	5,596	14,836	3,241	11,595
1925	21,384		1,399	3,620	17,764	3,629	14,135
1926	12,3		1,572	1,572	10,795	3,484	7,311
1927	11		1,076	1,076	10,110	3,209	6,901
1928	1		1,653	1,653	13,549	4,861	8,688
1929			5,401	5,401	21,018	6,102	14,916
1930			4,027	4,027	14,771	3,751	11,020

[fol. 4442]

EXHIBIT X–49½

Income Account, Years Ended December 31

(Figures prior to 1926 include results of the Company's supply department, the business of which, since Jan. 1, 1926, has been carried on by the Graybar Electric Co., Inc.)

	1929	1928	1927	1926	1925	1924
Sales	$410,949,817	$287,931,396	$253,724,013	$263,105,194	$297,729,420	$298,281,138
Cost of sales	387,969,260	268,698,347	236,472,853	251,301,951	283,829,993	284,987,285
Net profits on sales	$22,980,557	$19,233,049	$17,251,160	$11,803,243	$13,899,427	$13,293,853
Other income	*8,575,217	*2,790,233	2,088,014	4,628,690	2,174,554	1,212,004
Net earnings available for interest and dividends	$31,555,774	$22,023,282	$19,339,174	$16,431,933	$16,073,981	$14,505,857
Interest deductions	4,560,528	2,315,393	1,982,757	1,857,895	1,790,679	**4,378,927
Net income available for dividends	$26,995,246	$19,707,889	$17,356,417	$14,574,038	$14,283,302	$10,126,930
Dividends paid:						
Preferred					1,233,980	1,727,572
Common	23,500,000	11,250,000	7,500,000	7,500,000	5,625,000	5,000,000
Balance carried to surplus	$3,495,246	$8,457,889	§9,856,417	$7,074,038	¶7,424,322	$3,399,358
7% Preferred shares outstanding						246,796
Times Preferred dividend earned						5.86
Common shares outstanding	5,250,000	4,000,000	3,750,000	750,000	750,000	500,000
Earnings per Common share	‡$5.14	‡$4.93	‡$4.63	†$19.43	†$17.39	†$16.79

*Represents other income less expenses applicable. **Includes bond discount amounting to $2,274,900 incurred upon issuance of 5% Gold Debenture bonds. †Figured on average number of shares outstanding during respective years. ‡Figured on 3,750,000 shares outstanding at end of 1927, 4,000,000 shares at end of 1928, and 5,250,000 shares at end of 1929. ¶Before special dividend received from International Western Electric Company, Incorporated, from undistributed earnings at Sept. 30, 1925, $9,700,000; profit resulting from sale of International Western Electric Company, Incorporated, after deducting Federal Income taxes and setting aside a reserve for pension fund under agreement with International Standard Electric Corporation, $6,255,096; total—$15,955,096. Deduct: Premium paid on redemption of Preferred stock, $2,467,960. Balance from special earnings carried to surplus, $13,487,136. §Does not include $48,750,000 dividends received from Electrical Research Products Inc., which amount was distributed as a special dividend of $13 per share on Dec. 31, 1927, to stockholders of Western Electric Co., Inc.

General Balance Sheet, December 31

(Figures prior to 1926 include results of the Company's supply department, the business of which, since Jan. 1, 1926, has been carried on by the Graybar Electric Co., Inc.)

Assets—	1929	1928	1927	1926	1925	1924
Land, buildings and permanent fixtures at cost	$60,102,640	$42,606,473	$38,809,592	$35,173,957	$32,965,487	$30,387,700
Machinery, tools and other equipment at cost	74,461,492	51,819,779	47,928,965	43,034,163	40,278,066	41,409,532
Merchandise, materials and supplies at cost or market, whichever is lower	95,940,378	60,177,391	52,680,988	61,455,789	55,990,232	67,952,558
Cash	14,604,973	12,303,035	5,186,077	7,454,343	21,418,305	9,920,018
Bills receivable & trade acceptances	.....	.....	.....	.....	.....	86,940
Accounts receivable	65,179,732	48,796,568	38,734,274	40,665,639	37,613,759	45,735,932
Prepaid charges	252,183	160,844	149,704	122,318	172,092	213,090
Marketable securities	671,450	5,863,929	30,242,055	47,385,475	10,142,000	138,000
Investments, incl. stock in & advances to sub. cos.	62,178,802	30,002,873			17,624,506	2,280,546
International Western Electric Co., Inc.	.....	.....	.....	.....	.....	13,523,097
Total	$373,391,650	$251,730,892	$213,731,655	$235,291,684	$216,204,447	$212,421,413
Liabilities—						
Preferred stock	.....	.....	.....	.....	.....	†$24,679,600
Capital	*$150,000,000	*$100,000,000	*$75,000,000	$108,508,621	$101,434,583	80,523,125
Surplus	14,556,945	10,783,954	12,987,786			
Funded debt	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Notes sold to trustee of pension fund	26,128,933	.....	.....	.....	.....	.....
Notes payable	42,819,000	21,064,706	4,967,000	.....	.....	.....
Trade acceptances and bills receivable discounted	.....	.....	.....	.....	.....	595,533
Accounts payable	34,733,139	24,753,263	15,458,625	17,775,078	16,330,720	17,501,759
Interest, taxes and other accruals not due	5,344,170	3,181,785	4,249,968	5,199,522	5,148,841	4,771,420
Res. for accrued deprec. on plant and equipment	64,670,737	56,821,896	51,319,208	46,516,764	41,767,842	40,490,901
Employees' benefit funds	.....	‡	4,635,855	15,321,738	10,208,886	4,000,000
Reserve for contingencies	138,726	125,288	113,213	6,969,961	6,313,575	4,859,075
Total	$373,391,650	$251,730,892	$213,731,655	$235,291,684	$216,204,447	$212,421,413

*Represented by 3,750,000 shares in 1927, 4,000,000 shares in 1928 and 5,250,000 shares in 1929. †Retired at 110, Sept. 15, 1925. ‡Reserve for employees' benefit fund paid to trustee.

EXHIBIT X-49½—Continued

Statement of Working Capital, December 31

(Figures prior to 1926 include results of the Company's supply department, the business of which, since Jan. 1, 1926, has been carried on by the Graybar Electric Co., Inc.)

Current Assets—	1929	1928	1927	1926	1925	1924
Merchandise	$95,940,378	$60,177,391	$52,680,988	$61,455,789	$55,990,232	$67,952,558
Cash	14,604,973	12,303,035	5,186,077	7,454,343	21,418,305	9,920,018
Trade acceptance	.....	.....	.....	.....	.....	616,051
Bills and accounts receivable	65,431,915	48,796,568	38,734,274	40,665,639	37,613,759	45,980,821
Marketable securities	671,450	5,863,929	.....	.....	10,142,000	138,000
Total	$176,648,716	$127,140,923	$96,601,339	$109,575,771	$125,164,296	$124,607,448
Current Liabilities—						
Bills payable	$42,819,000	$21,064,706	$4,967,000	.....	.....	.....
Trade acceptances and bills receivable discounted	.....	.....	.....	.....	.....	$595,533
Accounts payable	34,733,139	24,753,263	15,458,625	$17,775,078	$16,330,720	17,501,759
Interest, taxes and other accruals not due	5,344,170	3,181,785	4,249,968	5,199,522	5,148,841	4,771,420
Total	$82,896,309	$48,999,754	$24,675,593	$22,974,600	$21,479,561	$22,868,712
Net Working Capital	$93,752,407	$78,141,169	$71,925,746	$86,601,171	$103,684,735	$101,738,736

Officers: Edgar S. Bloom, Pres.; William P. Sidley, V-P.; H. A. Halligan, V-P., General Staff; C. G. Stoll, V-P., Operating Dept.; W. T. Teague, V-P., Installation and Sales; J. W. Bancker, V-P., Purchansing & Traffic; W. F. Hosford, V-P., Mfg. Dept.; C. G. Pratt, V-P. & Gen. Counsel; C. L. Rice, V-P. & Works Mgr. (Hawthorne); S. S. Holmes, V-P. & Works Mgr. (Kearny); W. H. Meese, V-P. & Works Mgr. (Point Breeze); R. H. Gregory, Compt.; F. L. Gilman, Treas; H. B. Gilmore, Sec.; P. L. Thomson, Director of Public Relations; D. F. G. Eliot, Personnel Director; J. D. Kennedy, Gen. Telephone Sales Mgr.; F. B. Gleason, Gen. Commercial Mgr.; T. K. Stevenson, Compt. of Manufacture.

Directors: Walter C. Allen, Edgar S. Bloom, James W. Bancker, Richard H. Gregory, Howard A. Halligan, Hale Holden, William F. Hosford, William B. Joyce, Charles S. McCain, Uzal H. McCarter, William H. Miner, Thomas I. Parkinson, George C. Pratt, William P. Sidley, Clarence G. Stoll, Donald Symington, William T. Teague.

Principal Office, 195 Broadway, New York.

[fol. 4443]

EXHIBIT X-49A

Earnings of the Western Electric Company on Non-Bell Business Expressed in Percentages of Sales and in Percentage of (a) Average Investment and (b) Average Investment Less Amount of Depreciation Reserve Account, 1916 to 1932, Inclusive

(Dollars in Thousands)

	(a) Sales	(b) Earnings	(c) Per Cent Earnings to Sales (b÷a)	(d) Average Investment	(e) Per Cent Earnings to Average Investment (b÷d)	(f) Average Investment Less Amount of Deprec. Reserve Account	(g) Per Cent Earnings to Average Investment Less Amount of Deprec. Reserve Account (b÷f)
1916	$33,072	$1,730	5.2	$12,983	13.3	$10,274	16.8
1917	45,658	3,275	7.2	16,774	19.5	14,270	23.0
1918	66,009	3,613	5.5	23,105	15.6	20,388	17.7
1919	55,361	2,689	4.9	22,919	11.7	18,930	14.2
1920	75,400	2,435	3.2	26,557	9.2	23,372	10.4
1921	46,880	(2,664)	(5.7)	27,181	(9.8)	24,176	(11.0)
1922	50,984	1,672	3.3	17,254	9.7	14,674	11.4
1923	67,018	2,923	4.4	19,267	15.2	15,898	18.4
1924	64,981	2,370	3.6	20,432	11.6	16,859	14.1
1925	71,029	(672)	(.9)	21,384	(3.1)	17,778	(3.8)
1926	15,902	1,696	10.7	12,367	13.7	6,734	25.2
1927	12,662	1,297	10.2	11,186	11.6	7,456	17.4
1928	20,123	2,592	12.9	15,202	17.0	8,950	29.0
1929	38,566	6,389	16.6	26,419	24.2	17,299	36.9
1930	22,648	1,249	5.5	18,798	6.6	13,120	9.5
1931	9,421	(151)	(1.6)	11,947	(1.3)	8,165	(1.8)
1932 (3 mos.) (X 4)	6,024	(500)	(8.3)	10,019	(5.0)	6,511	(7.7)
Total	$701,738	$29,943	4.3	$313,794	9.5	$244,854	12.2
Total, 1923 to 1931	322,350	17,693	5.5	157,002	11.3	112,259	15.8
Total, 1923 to 1932	328,374	17,193	5.2	167,021	10.3	118,770	14.5

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[fol. 4444]

EXHIBIT X-50

Western Electric Company, Inc.

Reconciliation of Net Profits per Exhibits A-77 and A-79 with Profits as Adjusted—Bell and Non-Bell Business

(Dollars in Thousands)

Year	Net profits per Exhibits A-77 and A-79	Adjustments to profit					Profits as adjusted before interest deductions	Deduct		Profit as adjusted**
		Pension fund accruals	Extraordinary depreciation	Excessive depreciation	Federal income taxes	Total adjustment		Interest on current obligations	Interest on excessive cash balances	
1916	$3,870	391*	.....	364	5	22*	3,848	90	64	3,694
1917	5,800	590*	.....	1,031	155	596	6,396	519	57	5,820
1918	6,034	657*	.....	591	115*	181*	5,853	750	.....	5,103
1919	5,376	660*	.....	239	116	305*	5,071	473	.....	4,598
1920	7,290	1,044*	.....	1,400	41	397	7,687	1,638	23	6,026
1921	8,474	1,351*	.....	1,136	183*	398*	8,076	2,780	84	5,212
1922	8,034	1,528*	.....	168*	5*	1,701*	6,333	877	91	5,365
1923	9,115	2,000*	.....	44*	224	1,820*	7,295	1,159	.....	6,136
1924	13,245	209*	1,563	77	74*	357	14,602	791	41	13,770
1925	15,580	3,173	2,168	607*	35*	4,699	20,279	40	514	19,725
1926	14,247	3,100	2,102	147*	104	5,159	19,406	107	.....	19,299
1927	18,165	2,871	1,803	555*	484*	3,635	21,800	232	.....	21,568
1928	19,876	249	2,000	897	372	3,518	23,394	565	.....	22,829
1929	23,761	78	.....	4,690	207	4,975	28,736	2,810	.....	25,926
1930	12,934	.....	.....	1,622	217*	1,405	14,339	2,922	.....	11,417

* Red figures.

** Exclusive of income from investments and before deduction of interest on funded debt.

[fol. 4445]

Western Electric Company, Inc.

Net Profits per Exhibit A 77 as Adjusted—Bell Business

(Dollars in Thousands)

Year	Net profits per Exhibit A-77	Adjustments to Net Profit: Pension fund accruals	Extraordinary depreciation	Excessive depreciation	Federal income tax	Total adjustment	Profits as adjusted before interest deductions	Deduct: Interest on current obligations	Interest on excessive cash balances	Profits as adjusted**
1916	$2,140	279*	.....	260	3	16*	2,124	64	44	2,016
1917	2,525	427*	.....	746	67	386	2,911	376	35	2,500
1918	2,421	371*	.....	334	52*	89*	2,332	424	....	1,908
1919	2,687	401*	.....	145	59	197*	2,490	288	....	2,202
1920	4,855	679*	.....	910	27	258	5,113	1,065	17	4,031
1921	11,138	1,011*	.....	850	169*	330*	10,808	2,079	68	8,661
1922	6,362	1,186*	.....	130*	4*	1,320*	5,042	681	77	4,284
1923	6,192	1,506*	.....	33*	148	1,391*	4,801	873	....	3,928
1924	10,875	165*	1,563	61	65*	1,394	12,269	623	34	11,612
1925	16,252	1,663	1,966	463*	29*	3,137	19,389	30	458	18,901
1926	12,551	2,905	1,914	139*	101	4,781	17,332	101	....	17,231
1927	16,868	2,707	1,666	530*	445*	3,398	20,266	222	....	20,044
1928	17,284	236	1,831	844	324	3,235	20,519	532	....	19,987
1929	17,372	72	.....	4,334	131	4,537	21,909	2,596	....	19,313
1930	11,685	.....	.....	1,531	186*	1,345	13,030	2,758	....	10,272

* Red figures.

** Exclusive of income from investments and before deduction of interest on funded debt.

EXHIBIT X-50—Continued

[fol. 4446]

Western Electric Company, Inc.

Reconciliation of Net Profits per Exhibit A-79, Non-Bell Business, with Profits as Adjusted

(Dollars in Thousands)

Year	Net profits per Exhibit A-79	Adjustments to Net Profit: Pension fund accruals	Extraordinary depreciation	Excessive depreciation	Federal income tax	Total adjustment	Profits as adjusted before interest deductions	Deduct: Interest on current obligations	Deduct: Interest on excessive cash balances	Profits as adjusted**
1916	$1,730	112*	....	104	2	6*	1,724	26	20	1,678
1917	3,275	163*	....	285	88	210	3,485	143	22	3,320
1918	3,613	286*	....	257	63*	92*	3,521	326	..	3,195
1919	2,689	259*	....	94	57	108*	2,581	185	..	2,396
1920	2,435	365*	....	490	14	139	2,574	573	6	1,995
1921	2,664*	340*	....	286	14*	68*	2,732*	701	16	3,449*
1922	1,672	342*	....	38*	1*	381*	1,291	196	14	1,081
1923	2,923	494*	....	11*	76	429*	2,494	286	..	2,208
1924	2,370	44*	....	16	9*	37*	2,333	168	7	2,158
1925	672*	1,510	202	144*	6*	1,562	890	10	56	824
1926	1,696	195	[illegible]	8*	3	378	2,074	6	..	2,068
1927	1,297	164	13[illegible]	25*	39*	237	1,534	10	..	1,524
1928	2,592	13	169	53	48	283	2,875	33	..	2,842
1929	6,389	6	....	356	76	438	6,827	214	..	6,613
1930	1,249	.....	....	91	31*	60	1,309	164	..	1,145

*Red figures.

** Exclusive of income from investments and before deduction of interest on funded debt.

[fol. 4447] EXHIBIT X-50A

Gross Additions for Plant Depreciation on Machinery

	1927	1926	1925	1924	
Gross Additions (CA-5.01)	$2,743,071	$2,262,033	$3,091,681	$2,527,514 (U)	1
Extraordinary Depreciation (CA-5.01)	851,624	527,773	1,212,538	673,742	2
Wire Mill (A-5.00)	74,102	71,908	65,741	61,868	3
Installation	177,731	140,526	218,061	456,390	4
Total Deduction (2 to 4)	$1,103,457	$740,207	$1,496,340	$1,192,000	5
Gross Additions computed at 7.5% of Cost Value (1-5)	1,639,614	1,521,826	1,595,341	1,335,514	6
As line 6 has been computed by applying 7.5% to cost value of machinery in use, to raise to 10%, increase line 6 by ⅓, or	546,538	507,275	531,780	445,171	7

U. Reduced by Engineering Department gross additions to depreciation reserve.

[fol. 4448] (Copy)

February 6, 1929.

H. B. Gilmore, Secretary:

Intensive manufacturing development and cost reduction effort during the past five years has resulted in a marked increase in substitution of machines for manual operations and in the replacement of standard machinery by special machinery designed for a particular operation or product, thereby materially increasing the factor of obsolescence to be covered by depreciation.

For this reason depreciation charged against cost of 1928 was increased by 2.5% of the face value, making the rate 10% instead of 7.5%. A similar increase in the depreciation charged against cost for the years 1924 to 1927 computed at 2.5% of the average value of machinery in use during these years amounts to $2,030,764.

Please present these facts at the next meeting of the Board of Directors with the recommendation that in addition to the depreciation charged to costs at regular rates, $2,000,000, be set aside to the Reserve for Depreciation on Plant.

(Sd.) R. H. Gregory, Comptroller.

[fol. 4449] (Copy)

Western Electric Company, Incorporated

Certified Copy of Action of the Board of Directors

New York, February 13, 1929.

Mr. S. W. Murkland, Assistant Comptroller:

I hereby certify that the following is a true extract from the minutes of a meeting of the Board of Directors of Western Electric Company, Incorporated, held on the 13th day of February, 1929:

"On motion, duly seconded, the following resolution was adopted:

Whereas, there has been a material increase in the past five years in the factor of obsolescence of the machinery of the Manufacturing Department through the improvement made in methods and equipment, and

Whereas, the depreciation charge against cost during those years was not sufficient to cover this increased obsolescence,

Now, therefore, be it resolved, that the officers be and they are hereby authorized to set aside as depreciation reserve on plant $2,000,000, in addition to the depreciation charged at regular rates."

H. B. Gilmore, Secretary.

Copy to Mr. H. H. Gregory.

[fol. 4450] EXHIBIT X-54

Western Electric Company, Inc.

Average Investment per Exhibits A-77 and A-79, Adjusted (Before Depreciation) Profits as Adjusted and Percentage of Return—Bell and non-Bell Business

(Dollars in Thousands)

Year	Average investments per Exhibits A-77 and A-79 adjusted (before depreciation)	Profits as adjusted**	% Return on investment
1916	$52,729	3,694	7.0
1917	70,236	5,820	8.3
1918	80,604	5,103	6.3
1919	81,564	4,598	5.6
1920	99,950	6,026	6.0
1921	109,279	5,212	4.8
1922	117,898	5,365	4.6
1923	125,694	6,136	4.9
1924	156,723	13,770	8.8
1925	158,668	19,725	12.4
1926	154,126	19,299	12.5
1927	149,475	21,568	14.4
1928	149,489	22,829	15.3
1929	172,223	25,926	15.1
1930	228,335	11,417	5.0

**Exclusive of income from investments and before deduction of interest on funded debt.

[fol. 4451] Western Electric Company, Inc.

Average Investment, Per Exhibit A-77, Adjusted (Before Depreciation), Adjusted Profits and Percentage of Return—Bell Business (Dollars in Thousands)

Year	Adjusted average investment (before depreciation)	Adjusted profits**	% Return on investment
1916	$ 41,699	2,016	4.8
1917	57,272	2,500	4.4
1918	62,892	1,908	3.0
1919	64,055	2,202	3.4
1920	83,883	4,031	4.8
1921	97,223	8,661	8.9
1922	107,084	4,284	4.0
1923	114,050	3,928	3.4
1924	141,887	11,612	8.2
1925	140,904	18,901	13.4
1926	143,331	17,231	12.0
1927	139,365	20,044	14.4
1928	135,940	19,987	14.7
1929	151,205	19,313	12.8
1930	213,564	10,272	4.8

**Exclusive of income from investments and before deduction of interest on funded debt.

[fol. 4452] Western Electric Company, Inc.

Average Investment Adjusted (Before Depreciation), Adjusted Profits, and Percentage of Return non-Bell Business (Exhibit A-79 as Adjusted)

(Dollars in Thousands)

Year	Adjusted average investment (before depreciation)	Abjusted profits**	Return on investment
1916	$11,030	1,678	15.2
1917	12,964	3,320	25.6
1918	17,712	3,195	18.0
1919	17,509	2,396	13.7
1920	16,067	1,995	12.4
1921	12,056	3,449*	28.6*
1922	10,814	1,081	10.0
1923	11,644	2,208	19.0
1924	14,836	2,158	14.5
1925	17,764	824	4.6
1926	10,795	2,068	19.2
1927	10,110	1,524	15.1
1928	13,549	2,842	21.0
1929	21,018	6,613	31.5
1930	14,771	1,145	7.8

* Red figures.

** Exclusive of income from investments and before deduction of interest on funded debt.

[fol. 4453] EXHIBIT X-55

Western Electric Company, Inc.

Average Investment per Exhibits A-77 and A-79 Adjusted (After Depreciation), Profits as Adjusted, and Percentage of Return

(Dollars in Thousands)

Year	Average investment per Exhibits A-77 and A-79 adjusted (after depreciation)	Profits as adjusted**	% Return on investment
1916	$40,257	3,694	9.2
1917	56,312	5,820	10.3
1918	64,939	5,103	7.9
1919	64,325	4,598	7.1
1920	80,732	6,026	7.5
1921	87,498	5,212	6.0
1922	93,396	5,365	5.7
1923	97,847	6,136	6.3
1924	123,983	13,770	11.1
1925	125,378	19,725	15.7
1926	117,830	19,299	16.4
1927	109,363	21,568	19.7
1928	107,216	22,829	21.3
1929	127,355	25,926	20.4
1930	176,947	11,417	6.5

** Exclusive of income from investments and before deductions of interest on funded debt.

[fol. 4454] Western Electric Company, Inc.

Average Investment per Exhibit A-77 Adjusted (After Depreciation), Adjusted Profits, and Percentage of Return—Bell Business

(Dollars in Thousands)

Year	Adjusted average investment (after depreciation)	Adjusted profits**	% Return on investment
1916	$31,784	$2,016	6.3
1917	45,604	2,500	5.5
1918	50,360	1,908	3.8
1919	50,229	2,202	4.4
1920	67,432	4,031	6.0
1921	78,012	8,661	11.1
1922	84,934	4,284	5.0
1923	89,043	3,928	4.4
1924	112,388	11,612	10.3
1925	111,243	18,901	17.0
1926	110,519	17,231	15.6
1927	102,462	20,044	19.6
1928	98,528	19,987	20.3
1929	112,439	19,313	17.2
1930	165,927	10,272	6.2

** Exclusive of income from investments and before deduction of interest on funded debt.

[fol. 4455] Western Electric Company, Inc.

Average Investment Adjusted (after depreciation), Adjusted Profits and Percentage of Return, Non-Bell Business (Exhibit A-79 as Adjusted)

(Dollars in Thousands)

Year	Adjusted average investment (after depreciation)	Adjusted profits**	% Return on investment
1916	$8,473	1,678	19.8
1917	10,708	3,320	31.0
1918	14,579	3,195	21.9
1919	14,096	2,396	17.0
1920	13,300	1,995	15.0
1921	9,486	3,449*	36.4*
1922	8,462	1,081	12.8
1923	8,804	2,208	25.1
1924	11,595	2,158	18.6
1925	14,135	824	5.8
1926	7,311	2,068	28.3
1927	6,901	1,524	22.1
1928	8,688	2,842	32.7
1929	14,916	6,613	44.3
1930	11,020	1,145	10.4

* Red figures.

** Exclusive of income from investments and before deduction of interest on funded debt.

[fol. 4456] EXHIBIT X-56

Western Electric Company, Inc.

Average Investment per Exhibits A-77 and A-79, Net Profit (Adjusted in Respect of Pension Accruals), and Percentage of Return—Bell and Non-Bell Business

(Dollars in Thousands)

Year	Average investment per Exhibits A-77 and A-79	Net profits as adjusted for pension accruals	% Return on investment
1916	$59,095	3,479	5.9
1917	82,958	5,210	6.3
1918	93,790	5,377	5.7
1919	92,858	4,716	5.1
1920	125,471	6,246	5.0
1921	152,511	7,123	4.7
1922	140,343	6,506	4.6
1923	150,771	7,115	4.7
1924	178,920	13,036	7.3
1925	184,469	18,753	10.2
1926	172,622	17,347	10.0
1927	178,557	21,036	11.8
1928	176,580	20,125	11.4
1929	230,926	23,839	10.3
1930	289,354	12,934	4.5

[fol. 4457] Western Electric Company, Inc.

Average Investment per Exhibit A-77, Profits (Adjusted in Respect of Pension Accruals), and Percentage of Return—Bell Business

(Dollars in Thousands)

Year	Average investment per Exhibit A-77	Profits as adjusted for pension accruals	% Return on investment
1916	$46,112	1,861	4.0
1917	66,184	2,098	3.2
1918	70,685	2,050	2.9
1919	69,939	2,286	3.3
1920	98,914	4,176	4.2
1921	125,330	10,127	8.1
1922	123,089	5,176	4.2
1923	131,504	4,686	3.6
1924	158,488	10,710	6.8
1925	163,085	17,915	11.0
1926	160,255	15,456	9.6
1927	167,371	19,575	11.7
1928	161,378	17,520	10.9
1929	204,507	17,444	8.5
1930	270,556	11,685	4.3

[fol. 4458] Western Electric Company, Inc.

Average Investment, per Exhibit A-79, Profits (as Adjjusted in Respect of Pension Accruals), and Percentage of Return—Non-Bell Business.

(Dollars in Thousands)

Year	Average investment per Exhibit A-79	Profits as adjusted for pension accruals	% Return on investment
1916	$12,983	1,618	12.5
1917	16,774	3,112	18.6
1918	23,105	3,327	14.4
1919	22,919	2,430	10.6
1920	26,557	2,070	7.8
1921	27,181	3,004*	11.1*
1922	17,254	1,330	7.7
1923	19,267	2,429	12.6
1924	20,432	2,326	11.4
1925	21,384	838	3.9
1926	12,367	1,891	15.3
1927	11,186	1,461	13.1
1928	15,202	2,605	17.1
1929	26,419	6,395	24.2
1930	18,798	1,249	6.6

* Red figures.

[fol. 4459] Exhibit X-65

Western Electric Company, Inc.

Return on Average Investment per Exhibits A-77 and A-79 After Deducting Reserve for Depreciation, Bell and Non-Bell Business

(Dollars in Thousands)

Year	Average investment per Gregory Exhibits A-77 and A-79 less depreciation	Net profit per Gregory Exhibits A-77 and A-79	% Return on investment
1916	$46,623	3,870	8.30
1917	69,034	5,800	8.40
1918	78,125	6,034	7.72
1919	75,619	5,376	7.11
1920	106,253	7,290	6.86
1921	130,730	8,474	6.48
1922	115,841	8,034	6.93
1923	122,924	9,115	7.41
1924	146,180	13,245	9.06
1925	151,179	15,580	10.30
1926	136,326	14,247	10.45
1927	138,445	18,165	13.12
1928	134,307	19,876	14.79
1929	186,058	23,761	12.77
1930	237,966	12,934	5.43

[fol. 4460] Western Electric Company, Inc.

Return on Average Investment per Exhibit A-77 After Deducting Reserve for Depreciation, Bell Business

(Dollars in Thousands)

Year	Average investment per Exhibit A-77 after deducting depreciation	Net profit per Exhibit A-77	% Return on investment
1916	$36,197	2,140	5.91
1917	54,516	2,525	4.63
1918	58,153	2,421	4.16
1919	56,113	2,687	4.78
1920	82,463	4,855	5.88
1921	106,119	11,138	10.49
1922	100,939	6,362	6.30
1923	106,497	6,192	5.81
1924	128,989	10,875	8.43
1925	133,424	16,252	12.18
1926	127,443	12,551	9.84
1927	130,468	16,868	12.92
1928	123,966	17,284	13.94
1929	165,741	17,372	10.48
1930	222,919	11,685	5.24

[fol. 4461] Western Electric Company, Inc.

Return on Average Investment per Exhibit A-79 After Deducting Reserve for Depreciation, Non-Bell Business

(Dollars in Thousands)

Year	Average investment per Exhibit A-79 after deducting depreciation	Net profit per Exhibit A-79	% Return on investment
1916	$10,426	1,730	16.59
1917	14,518	3,275	22.55
1918	19,972	3,613	18.09
1919	19,506	2,689	13.78
1920	23,790	2,435	10.23
1921	24,611	2,664*	10.82*
1922	14,902	1,672	11.21
1923	16,427	2,923	17.79
1924	17,191	2,370	13.78
1925	17,755	672*	3.78*
1926	8,883	1,696	19.09
1927	7,977	1,297	16.25
1928	10,341	2,592	25.06
1929	20,317	6,389	31.44
1930	15,047	1,249	8.30

[fol. 4462] EXHIBIT X-67

Western Electric Company, Inc.

Return on Investment in International Western Electric Company, Years 1918 to 1925

Dividends received		$3,912,500
Profit on the sale of the stock of International Western Electric Company:		
Profit per stockholders' report, December 31, 1925	$15,955,095	
Adjustment of reserve for pension fund set up out of profit at December 31, 1925:		
Year 1927	330,154	
Year 1929	277,745	16,562,994
Total profit, June 1, 1918 to September 30, 1925		$20,475,494
Average profit per year		$2,792,112
Average yearly investment		$7,500,000
Average yearly return on investment		37.2%

[fol. 4463] EXHIBIT X-69

Western Electric Company, Inc.

Investment in International Western Electric Company, Inc., Years 1918-1925

Year	Western Electric Average Investment	Net Earnings	% Return on Net Earnings	Dividends paid to Western Electric Company, Inc.	Excess of net Earnings over Dividends Paid
1918	$7,499,880	495,607 (1)	6.6 (1)	.....	495,607
1919	7,499,880	637,832	8.5	.....	637,832
1920	7,499,880	516,166	6.9	$385,000	131,166
1921	7,500,000	1,113,407	14.9	998,800	114,607
1922	7,500,000	1,429,997	19.1	1,085,000	344,997
1923	7,500,000	1,129,329	15.1	525,000	604,329
1924	7,500,000	3,458,018 (3)	46.1	525,000	2,933,018
1925	7,500,000	1,110,900 (2)	14.8 (2)	393,700**	717,200**
		$9,891,256	18.6	$3,912,500	5,978,756

(1) Seven months June 1 to December 31, 1918 (Formed June 1, 1918).
(2) "Approximated" net earnings for six months ended June 30, 1925.
(3) Dividend income for 1924 equalled $4,191,493 and in 1923 equalled $1,763,841.
**Exclusive of special dividend of $9,700,000 paid September 30, 1925.

[fol. 4464] EXHIBIT X-70

Western Electric Company, Inc.

Investment in International Western Electric Company, Inc., Giving Effect to Accumulated Earnings, Years 1918 to 1925

(Dollars in Thousands)

Year	Average investment	Net earnings	% Return on average investment
1918	$7,747,683	$495,607 (1)	6.4 (1)
1919	8,314,403	637,832	7.7
1920	8,698,902	516,166 (4)	5.9
1921	8,821,908	1,113,407	12.6
1922	9,051,710	1,429,997	15.8
1923	9,506,373	1,129,329	11.9
1924	11,295,047*	3,458,918 (3)	30.6
1925	13,120,156	1,110,900 (2)	8.5 (2)
		$9,891,256	13.2

(1) Seven months, June 1 to December 31, 1918. (Formed June 1, 1918).
(2) "Approximated" net earnings for six months ended June 30, 1925.
(3) Dividend income for 1924 equallel $4,191,493 anl in 1923 equalled $1,763,841.
(4) Does not include adjustment deduction made in 1920 for "accrued interest on Berlin notes not collected" in amount of $205,201 covering years prior to 1920.

[fol. 4465] EXHIBIT X-71

Western Electric Company, Inc.

Supply Department, Years 1916-1925

Year	Average Investment per Western Electric Company Inc.	Net profits before interest deductions (1)	% Return before interest deductions
1916	$7,650,000	1,510,000**	19.7
1917	10,725,000	2,770,000**	25.8
1918	18,335,000	3,448,000**	18.8
1919	14,978,000	2,513,000**	16.8
1920	19,032,000	2,598,000**	13.7
1921	14,288,000	3,365,141*	23.5*
1922	8,308,000	697,010	8.4
1923	8,947,000	1,545,508	17.3
1924	7,884,000	1,972,846	25.0
1925	7,663,000	2,354,883	30.7

*Red Figures.
**Does not include "Sundry Income". Division of such income not made in 1920 and prior years.
(1) "Net profits before Interest Deductions" does not include any proportionate share of deductions on account of "Reserve for pension fund and contingencies."

NOTE.—Figures compiled and taken from Statements of Western Electric Company, Inc. years 1916 to 1920—"Division of Profits by Classes of Business" Years 1921 to 1924—"Profits for the Fiscal Year" (C. A. —204.00). Profits for 1925 obtained from "Summary of Profits for the Fiscal Year" A—4.00 and average investment from "investment binder". Combined all Departments average balance sheet details (page 4).

[fol. 4466]

EXHIBIT X-72

Western Electric Company, Inc.

Return on Investment in Graybar Electric Company, Inc., Years 1926-1928, Inclusive

Year	Average investment	Net earnings	% Return on net earnings
1926	$6,700,000	1,283,000	19.14
1927	6,700,000	1,740,000	25.97
1928	6,700,000	2,511,000	37.48
	$20,100,000	5,534,000	27.53

Year	Average investment giving effect to surplus earnings of Graybar Electric Company, Inc.	Profit for year	% Return of net earnings
1926	$7,341,500	1,283,000	17.48
1927	7,953,000	1,740,000	21.88
1928	8,173,500	2,511,000	30.72
	$23,468,000	5,534,000	23.58

[fol. 4467]

EXHIBIT X-73

Graybar Electric Company, Inc.

Comparative Statement of Sales and Profits on Western Electric Manufactures and on Other Products

(Dollars in Thousands)

	Year ended Dec. 31 1926		Year ended Dec. 31 1927		Year ended Dec. 31 1928	
	Western Electric Manufactures	Other	Western Electric Manufactures	Other	Western Electric Manufactures	Other
Sales	$12,172	64,416	9,020	59,692	9,789	62,913
Gross profits	$2,748	9,049	2,345	8,553	2,428	9,087
Expenses	1,544	9,028	1,352	7,913	1,331	7,784
Net profits	$1,204	21	993	640	1,097	1,303
% of net profits to sales	9.9%	.03%	11.0%	1.1%	11.2%	2.1%

[fol. 4468] EXTRACTS FROM EXHIBIT No. X-74-A

Electrical Research Products, Inc., and Graybar Management Corporation and Graybar Electric Company, Inc.

Agreement Covering Changes in Capital Structure and Sale of Common Stock of Graybar Electric Company, Inc.

Dated November 5, 1928

* * * * * * *

Section 1. Reduction and Classification of Graybar Stock.

Products agrees, on or before December 31, 1928, to take all action necessary, as the holder of all of the outstanding capital stock of Graybar, to effect the reduction of the capital stock of Graybar (without the withdrawal of any assets from Graybar) from Fifteen million dollars ($15,000,000), consisting of One hundred and fifty thousand (150,000) shares of the par value of One Hundred Dollars ($100) each, to Nine million dollars ($9,000,000) consisting of Ninety thousand (90,000) shares of the par value of One hundred dollars ($100) each, and to classify said Ninety thousand (90,000) shares so that there shall be Sixty thousand (60,000) shares of preferred stock and Thirty thousand (30,000) shares of common stock, the designations, preferences, privileges and voting powers or restrictions or qualifications of the shares of each class of stock, including a statement in regard to the cumulative and non-cumulative dividends payable on the preferred stock, to be substantially as set forth in Exhibit A attached hereto and made a part hereof.

Section 2. Sale of Graybar Stock.

Products agrees to sell to Management, and Management agrees to purchase from Products, on December 31, 1928, the Thirty thousand (30,000) shares of the common stock of Graybar mentioned in Section 1 hereof for the total price of Three million dollars ($3,000,000), and on said date [fol. 4469] Products agrees to deliver to Management certificates representing such stock endorsed for transfer to Management with the required transfer stamps affixed, and Management agrees to make payment to Products of the

purchase price aforesaid in New York exchange. Such delivery and payment shall take place at Products' office at No. 195 Broadway, New York City.

* * * * * * *

EXHIBIT A

The designations, preferences, privileges and voting powers or restrictions or qualifications of shares of each class shall be as follows:

A. The preferred stock shall be designated as preferred stock.

(1) Holders of the preferred stock shall be entitled to receive out of funds available for dividends, when and as declared by the board of directors, dividends thereon at the rate of seven dollars ($7.00) per share per annum, payable quarterly on the last business day of March, June, September and December in each year, such dividends to accrue from the dividend date next preceding the date of issue or from the date of issue if the date of issue coincides with a dividend date. The first such dividend shall be payable March 30, 1929, for the quarter-year ending on March 31, 1929. Such dividends shall be cumulative and if the corporation shall fail to pay such dividends quarterly on all of the outstanding preferred stock all such accumulated dividends shall be paid, but without interest, before any amount shall be set apart for or credited to the sinking fund hereinafter provided for and before any dividends shall be set apart, declared or paid on the common stock. The holders of the preferred stock shall also be entitled to receive additional non-cumulative dividends based on the net earnings, as hereinafter defined, for each year. Such additional dividends shall be an amount equal to one per cent (1%) of such net earnings, as hereinafter defined, for each one thousand (1,000) shares of the average amount of preferred stock outstanding during the year, less an amount equal to certain United States taxes hereinafter provided [fol. 4470] for. Such additional dividends shall be payable quarter-yearly on the last business day of March, June, September and December, and each such dividend shall be based on estimated net earnings for the current

quarter year and the percentage to be applied to such net earnings for each quarter year shall be determined by the amount of preferred stock outstanding on the first day of such quarter year. The first of such additional dividends shall be payable on March 30, 1929 for the quarter year ending March 31, 1929. Such additional dividends for each of the first three quarters of each year shall be based on estimates of said net earnings for each of said quarters made according to the corporation's established accounting practices, except that for the third month of any quarter such net earnings shall be estimated from the information then available. If it appears after the close of a quarter year that the estimate of net earnings on which the additional dividend for such quarter year was based was not correct an adjustment shall be made to accord with the corrected estimate in declaring the additional dividend for the succeeding quarter year; provided that the amount of the additional dividend for the fourth quarter of each year shall be determined by the application of a percentage (representing the average of the percentages determined as above provided for each of the four quarters of said year) to the net earnings as estimated for the entire year, less additional dividends paid for the first three quarters of said year. After the net earnings for the year have been definitely determined a final determination of the amount of the additional dividends for the entire year shall be made and the difference between such dividends as finally determined and those actually paid shall be added to or subtracted ~~from,~~ as the case may be, the amount of the next succeeding additional dividends to be declared. Except as in this certificate expressly provided, preferred stock shall not be entitled to participate in any other earnings or profits of the corporation.

The term "net earnings" as used in this subdivision (1) of subparagraph A shall be deemed to mean net earnings as determined under the corporation's established accounting methods and after the deduction of the following items:

a. All taxes except United States income taxes;

b. Payments into the Pension Fund of the corporation covering the current accrued liability pursuant to the provisions of the corporation's Plan for Employees' Pension,

Disability Benefits and Death Benefits but excluding payments to make up deficiencies in said Pension Fund;

c. Cumulative dividends upon the preferred stock:

d. The sum of $450,000 for each year.

[fol. 4471] To the net earnings for each year determined as aforesaid shall be applied the percentage determined as aforesaid, and from the result there shall be deducted an amount obtained by applying to the sum of the aforesaid result plus the amount of cumulative dividends on the preferred stock for such year, the rate of United States income tax for corporations applicable to such year. The remainder shall represent the amount payable as additional dividends on the preferred stock. If in any year the amount payable as additional dividends in less than the amount of the deduction last above-mentioned the amount by which it is less shall be carried over and deducted from the first additional dividends sufficient to absorb such amount.

(2) Upon any dissolution or liquidation of the corporation or sale of all of its assets, whether voluntary or involuntary, there shall be paid to the holders of preferred stock $100 per share and an amount equal to any accumulated or accrued dividends thereon to the date of payment plus an amount equal to any additional dividends earned and payable on said date of payment, but no more, before any sums shall be paid to or any assets distributed among the holders of the common stock and after such payments to the holders of the preferred stock all remaining assets and funds shall be paid to or distributed among the holders of the common stock.

(3) The preferred stock may be called for redemption, in whole or in part, but only in lots of one thousand (1,000) shares or multiples thereof, on the last business day of March, June, September or December in any year, at the option of the board of directors by mailing notice thereof to the holders of record of the shares to be redeemed at least three (3) days prior to the date fixed for redemption and such shares may be redeemed by paying for each share so redeemed the sum of $100 per share plus a sum equal to any accumulated or accrued dividends thereon to the date fixed for such redemption plus any additional dividends

earned and payable on said date of redemption, provided that in no event shall the aggregate of such redemptions during each of the years ending respectively December 31, 1929, and December 31, 1930 exceed in each year the par amount of $1,500,000 of such stock. If any such redemption is made of a part of the preferred stock, the preferred stock so called for redemption shall be redeemed by redeeming such proportion of the preferred stock held by each preferred stockholder as the total amount of said preferred stock then called for redemption shall bear to the total amount of preferred stock then outstanding. Subject to the above restrictions for the period ending December 31, 1930, the corporation may also at any time out of funds available for such purpose, provided such funds could be used under the provisions of the certificate of incorporation of this corporation as amended to pay dividends upon its common stock, purchase shares of its preferred stock in the open market or at private sale at not in excess of $100 per share and an amount equal to any accumulated or accrued and unpaid dividends thereon to the date of such purchase.

[fol. 4472] (4) The corporation shall in each year as long as any preferred stock shall be outstanding set apart from its earnings and/or surplus and credit to a sinking fund for the retirement of the preferred stock an amount sufficient to retire at $100 a share and accumulated or accrued dividends the par amount of the preferred stock to be retired in such year according to the following schedule:

In the year 1929	$500,000
In the year 1930	500,000
In the year 1931	500,000
In the year 1932	600,000
In the year 1933	600,000
In the year 1934	600,000
In the year 1935	600,000
In the year 1936	700,000
In the year 1937	700,000
In the year 1938	700,000

Said sinking fund obligations of the corporation shall be cumulative so that if the corporation shall fail to set apart for and credit to the sinking fund any and all amounts required as hereinabove provided to be so set apart and

credited, the amount of the deficiency shall be set apart and credited to the sinking fund before any dividend or dividends, shall be declared or paid or set apart for the common stock. The corporation may at any time exceed the requirements of its sinking fund obligation hereunder and in such event shall be entitled to credit for the excess of the sinking fund payment or payments for the succeeding year or years. Subject to the above restrictions for the period ending December 31, 1930, all moneys paid into the sinking fund shall be applied by the board of directors, on or before December 31st in the year in which set apart to the purchase or redemption of preferred stock.

The term "accrued dividends" or "accumulated dividends" when used in this certificate of incorporation as amended refers to cumulative dividends on the preferred stock and shall be deemed to mean an amount which shall be equal to Seven Dollars ($7.00) per share per annum from the date when such dividends commence to accrue upon the particular shares of stock in question to the date in question, less the aggregate amount of all cumulative dividends paid upon such shares of preferred stock.

[fol. 4473] This exhibit consists of the total confract between the Electrical Research Products and Graybar Management Corporation and Graybar Electric Company dated November 5, 1928. In addition to the portion of this contract set forth in full above, it contains in substance provisions as follows:

Section 3. Management shall continue to hold Graybar stock so long as option to Products to repurchase stock under Section 5 remains in force.

Section 4. Provision that Management at its option may require Products to repurchase stock at price sufficient to enable Management to repay borrowed money under Section 6 and repay employees amounts advanced by them.

Section 5. Option given to Products to repurchase Graybar stock at same price fixed in Section 4.

Section 6. Particular covenants by Management as follows:

(a) Not to increase its capital stock.

(b) To take all proper action requested so far as possible to keep Management stock owned by employees of Graybar.

(c) Not to borrow money to purchase stock except as provided in Section 2.

(d) Not to encumber stock owned by Graybar.

(e) To engage in no business except holding stock of Graybar.

(f) To pay no dividends in excess of 6%.

(g) Not to alter its present Stock Purchase Plan.

[fol. 4474] (h) To vote its stock for such Directors as Products may designate.

(i) To furnish Products with copies of the minutes of all meetings of its stockholders, Directors, Executive Committee after each such meeting is held.

(j) To keep accurate records of its accounts and to permit examination of its products.

(k) Upon request of Products, to redeem the preferred stock of Graybar not redeemed under paragraph (s) of Section 7.

(l) Use amounts obtained on account of subscriptions of its stock to redeem common stock of Graybar referred to in Section 2.

(m) Not to consent to action by Graybar which would violate Section 7.

Section 7. Covenants by Graybar—

(a) Not to increase stock in excess of authorization at December 31, 1928.

(b) To pay no dividends in excess of 7%.

(c) To enter no contracts terminating after more than three years.

(d) Not to terminate contracts or leases in effect which exceed three years of the entire term.

(e) Not to increase salaries of officers to exceed $6,000 a year.

(f) Not to amend compensation plan for employees involving increases in compensation.

[fol. 4475] (g) (h) Not to change accounting systems, nor make any changes in its Pension, Benefits, or Death Benefits Plan.

(i) Not to purchase all or substantial part of the assets of any person or any firm or corporation except to protect an account owed to it.

(j) Not to purchase bonds, stocks, notes, securities, of other corporations or individuals except to protect accounts owed to it, and except as authorized by its Board on February 15 and June 14, 1927, relating to the purchase of Government and Public Utility Securities.

(k) Not to engage in any other line of business or to change the existing methods of business.

(l) Not to encumber its property.

(m) Not to authorize securities except for borrowing money from Products or from the Western Electric Company, or for the purpose of selling such securities to the Trustee under its Pension.

(n) Continue suitable arrangements to have securities held by the Trustee of the Pension Fund prior to all other securities.

(o) To carry insurance on its property.

(p) Keep full and accurate records, and give Products access thereto.

(q) Furnish Products minutes of all meetings of its stockholders, Directors, and Executive Committee.

[fol. 4476] (r) To pay dividends on its preferred stock in accordance with its certificate of incorporation.

(s) To redeem and retire its preferred stock in the manner authorized by its certificate of incorporation as follows: $500,000 a year from 1929 to 1931, inclusive; $600,000 a year from 1932 to 1935, inclusive; $700,000 a year to 1938 inclusive.

(t) Not to redeem on or before December 31, 1930 preferred stock in excess of the amount of undistributed net earnings except as provided in paragraph (s).

(u) Not to reissue any redeemed or surrender any preferred stock.

Section 8. Provision permitting waivers by Products of any obligation of Management.

Section 9. Reference to "Stock" includes stock voting trust certificates and "stockholders of Management" includes holders of voting trust certificates.

[fol. 4477] EXHIBIT X-75

Graybar Electric Company, Inc.

Additional Dividends on Preferred Stock Received by Subsidiaries of Western Electric Company, Inc., for the Years 1929 Through 1931

1929	$1,105,000
1930	318,895
1931	(11,367) (x)
	$1,412,528

(x) Represents adjustments to 1929 and 1930 additional dividends.

[fol. 4478] EXHIBIT X-75-A

Western Electric Company Sales to Graybar Electric Company

(Dollars in Thousands)

	1929	1930	1931
Telephone apparatus*	$4,997	$3,922	$2,825
Lead covered cable	2,989	2,965	1,477
Supplies	181	167	125
	$8,167	$7,054	$4,427

* Includes special commercial products.

[fol. 4479] EXTRACTS FROM EXHIBIT X-76

Western Electric Company, Incorporated, and Graybar Electric Company, Inc.

Commercial Agreement, Dated December 31, 1925

* * * * * * *

1. Scope:

(a) The Western Company hereby appoints the Graybar Company its exclusive distributor for the sale of the apparatus specified in paragraph (b) of this Section 1 to all customers in the United States, provided that nothing herein contained shall cover or relate to sales to the following:

(1) Companies now or hereafter comprising the Bell Telephone System as defined in Section 2 (b) hereof.

(2) Such of the companies now or hereafter designated or known as Bell Connecting Companies as the Western Company may request the Graybar Company in writing from time to time to exclude from the provisions hereof.

(3) Companies (other than those above mentioned) operating public communication services with which the Western Company may at any time during the term hereof entered into continuing contracts to supply its manufactures.

(4) The United Sattes Government, except those sales which the Western Company may request the Graybar Company in writing from time to time to handle under the provisions hereof.

(5) Customers in the United States who purchase apparatus for export from the United States.

(6) Manufacturers who purchase apparatus for incorporation in or assembly with the apparatus of such manufacturers which is to be sold either to the Western Company only or to the Western Company and other customers of such manufacturers.

[fol. 4480] (7) Employees of the Western Company and its subsidiaries and employees in the Bell Telephone System as defined in Section 2 (b) hereof.

(b) The apparatus covered by this contract shall be such of the apparatus, which, immediately prior to December 31, 1925, was being manufactured by the Western Company and regularly distributed by it through its Supply Department to the supply trade, as the Western Company desires from time to time during the term hereof to have distributed to the supply trade (in so far as the Western Company may, from time to time, have the right to sell said apparatus to the Graybar Company. Also such other apparatus of Western Electric manufacture as the Western Company notifies the Graybar Company in writing from time to time is to be covered by this contract, after which notification the apparatus specified therein shall be subject to all the terms and provisions hereof.

* * * * * * *

(d) The term "apparatus" as used in this contract shall be deemed to include lead-covered cable and equipment.

* * * * * * *

(d) It is agreed that in so far as the Western Company now has, or during the term of this agreement may acquire, any rights to inventions or patents which relate to the business heretofore done by the Western Company through its Supply Department (under this agreement to be handled by the Graybar Company) and any extensions of that business along similar lines, the Western Company hereby grants and agrees to grant to the Graybar Company a non-exclusive license thereunder, for the field of said business only, subject at all times, however, to the existing or future contracts of the Western Company with others, provided that the license hereby granted or agreed to be [fol. 4481] granted does not include the right of the Graybar Company to

(1) Manufacture, or have manufactured for it by others than the Western Company, any apparatus, or

(2) Use, sell or lease any apparatus of other than Western Electric manufacture

of types which the Western Company manufactures or is prepared to manufacture.

* * * * * * *

11. Term of Contract:

This contract shall continue in force until terminated upon one year's written notice from either party to the other, provided that such notice shall not be given by either party prior to the expiration of nine years from the date hereof.

[fol. 4482] In addition to the portion of this contract printed in full above, it contains provisions in substance as follows:

Section 1. (c) The following apparatus and applications thereof are excluded from the contract: transmission of graphical matter and pictures (including television), apparatus for the recording and reproduction of sound, talking motion pictures, submerging signalling apparatus, direction finding apparatus, generally, all application and incidental uses of and telegraphic and telephonic apparatus not commonly known and understood as telephony and telegraphy, deep sea type and continuously loaded submarine cables, and terminal apparatus therefor and the apparatus for the installation thereof.

(d) Graybar has no right to new apparatus developed by the Western Electric Company other than that which may be considered as included as improvements of apparatus in terms of contract.

(e) Graybar agrees to purchase from the Western Electric Company materials and apparatus covered by contract to supply its customers and agrees to conform to licenses obtained by the Western Electric Company for its manufacture.

(f) If Graybar does not purchase from the Western Electric Company all of its apparatus of the type covered by the contract, the contract may be terminated and the Graybar become a non-exclusive distributor of Western's apparatus.

[fol. 4483] (g) Each agrees to sell to the other merchandise of non-Western Electric Company manufacture which it regularly handles.

(h) Western Electric Company retains the right to make sales directly to customers not reserved to it but will reimburse the Graybar Company for the profit which it would have derived had it made such sale.

Section 2. Definitions.

Section 3. Prices and Terms:—(a) The prices and terms to be paid by Graybar shall be as advantageous as those to the most favored customers except Bell System customers.

(b) Prices to be paid by either to the other for non-Western manufacture shall be the cost price plus a service charge.

Section 4. Apparatus of Western Electric sold by Graybar shall be such trade names or trade marks as shall be designated by Western Electric.

Section 5. Western Electric Company shall carry reasonable stock of apparatus which it regularly furnishes Graybar.

Section 6. Western Electric will repair apparatus sold to Graybar at price not greater than charged its most favored customers, except Bell System customers.

Section 7. Agreement that technical information coming to the attention of either party relating to the field of the business of the other, will be given the other.

[fol. 4484] Section 8. (a) Graybar will acquire from those of its employees engaged in development work, contracts giving it the right, for all countries, to the invention of such employees.

(b) Graybar will notify Western Electric Company of all inventions obtained from employees and shall sell, assign and transfer same to Western Electric at the actual cost to the Graybar.

(c) Graybar will bring to the attention of the Western Electric patents offered it relating to the business of the Western and will acquire said patents for Western Electric upon its instructions and its expense.

(d) Set forth in full above.

(e) Patents relating to field of Graybar offered to Western shall be acquired upon request of Graybar and at its expense. If they relate in part to field of Graybar it shall advise Western of such fact and amount it will pay for license thereunder.

(f) Graybar agrees to comply with restrictions as to sale of apparatus covered by license as Western may from time to time prescribe.

Section 9. Provides for interchange of pensions, and disability benefits under Employees Pension, Death and Benefit Plan.

[fol. 4485] EXHIBIT X-77

This agreement, made the 11th day of October, 1928, between Western Electric Company, Incorporated, a corporation of the State of New York (hereinafter called Western) and Graybar Electric Company, Inc., a corporation of the State of New York (hereinafter called Graybar), witnesseth:

That in consideration of the covenants and agreements herein contained, it is agreed by and between the parties hereto as follows:

Article I

Definitions

1. United States.

The term "United States" as used in this contract means the continental United States, Alaska, Hawaiian Islands, Philippine Islands, Virgin Islands and the Panama Canal Zone and all other territory (except Porto Rico) now or at any time during the term of this agreement subject to the jurisdiction of the United States.

2. United States Government.

The term "United States Government" as used in this contract means not only the Federal Government but also the Government of the Philippines and other federal possessions (except Porto Rico) present or future; but does not include any municipal, county or state government.

3. Bell Telephone System.

The term "Bell Telephone System" as used in this contract shall include all of the companies (whether operating [fol. 4486] telephone companies or otherwise) which West-

ern usually and regularly treats, or may from time to time hereafter treat, as a part of said System.

4. Subsidiaries.

The term "subsidiaries" as used in this contract means corporations, a majority of whose stock having power to vote for the election of directors is owned, directly or indirectly, either by Western, or by Western and one or more of its other subsidiaries, or by one or more of its other subsidiaries.

5. Western Electric Manufacture.

Apparatus designed or engineered by Western and manufactured in whole or in part either by Western or by others on the orders and to the specifications of Western shall be classed as apparatus of Western Electric manufacture.

6. Apparatus.

The term "apparatus" as used in this contract shall be deemed to include cable.

Article II

Scope

1. Appointment.

Western hereby appoints Graybar its exclusive distributor to sell in the United States to the classes of customers herein specified and for the uses and purposes set forth in this contract and subject to the exceptions hereinafter set forth, apparatus of Western Electric manufacture, as standardized by Western from time to time for general sale, in so far as Western may, from time to time, have the right to sell said apparatus to Graybar for resale.

[fol. 4487] 2. Classes of Customers.

The classes of customers to whom Graybar is authorized to sell apparatus for the uses and purposes defined in this contract are as follows:

(a) Telephone companies, except those in the Bell Telephone System, and except those classified by Western at the effective date hereof as Class B companies, and except

those which Western may from time to time hereafter designate as Class B companies by written notice to Graybar, in which event the company with reference to which such notice is given shall thereafter be excluded from the customers covered hereby.

(b) Companies (other than telephone companies) operating public communication service, until such time or times as Western enters into continuing contracts to supply its manufactures to any of such companies and so notifies Graybar in writing, in which event the company with reference to which such notice is given shall thereafter be excluded from the customers covered hereby.

(c) Central power and light stations and street railways.

(d) Industrial plants, except that Western reserves the right to furnish manufacturers with materials, parts of apparatus or particular devices for incorporation in or assembly with the product of such manufacturers, provided however, that this exception shall not apply to parts of apparatus or particular devices to be incorporated in or assembled with apparatus to be used for distance actuation and control of apparatus for power purposes, or for indicating at remote points the condition or position of apparatus for power purposes, or for police or fire alarm signal systems.

(e) Oil producing and refining companies.

(f) Electrical contractors and dealers.

(g) Department and furniture stores.

(h) Garages, hardware stores, retail merchants and radio dealers who regularly handle electrical supplies.

[fol. 4488] (i) Steam and electrical railroads and steamship lines.

(j) The United States Government, except that Western reserves the right to exclude from the provisions of this contract, from time to time, all or any part of the government business, upon notice in writing to Graybar.

(k) Customers buying over the counter.

(l) Customers (not specifically excepted) to whom apparatus, for the use and purposes covered by this con-

tract, is ordinarily and regularly sold directly by the manufacturer or the manufacturer's distributor instead of through dealers.

3. Field of Contract.

The uses and purposes for which Graybar is authorized to sell apparatus hereunder to the customers within the classes above described are (subject to the exceptions hereinafter set forth) as follows:

(a) For telephone exchange systems (including substations) and telegraph offices and for telephone and telegraph transmission lines, but only to the extent to which the same are used for purposes commonly and commercially understood as wire telephony or wire telegraphy.

(b) For radio broadcast transmitting stations, but only for the transmission, by one-way wireless telephony, of entertainment, educational or advertising matter.

(c) For power line carrier current systems, but only for the private use of power companies for their own communications and not for rendering communication service to others.

(d) For train dispatching systems.

(e) For transmission measuring.

(f) For announcing outfits, artificial larynges, audiometers, audiophones and stethoscopes, but only when used for the specific purposes which the names imply.

(g) For public address systems, except for use in theatres, motion picture theatres, or other places where mo- [fol. 4489] tion pictures are regularly publicly shown. The term "public address system" means, for the purposes of this contract, a combination of one or more telephone transmitters, and one or more loud-speaking telephone receivers, with or without electrical amplifiers, operating by one-way wire telephony for the reproduction of sound with increased volume simultaneously with and in the immediate vicinity of the original sound so reproduced, or within the same building or group of buildings commonly owned or operated, but does not include any apparatus for (or for use in combination or connection with or as parts of apparatus for)

(1) Radio reception,

(2) Transmission to or reception from wires extending outside the building, or group of buildings commonly owned or operated, in which said apparatus is installed, or

(3) The recording of sound or the reproduction of sound from any form of sound record,

(h) For the reproduction of sound from stylus-operated sound records of the disc type by means of the combination of a turn-table, stylus-operated electro-magnetic reproducer, one or more electrictal amplifiers and one or more loud-speaking telephone receivers and apparatus for the control thereof; but for use only in the following:

(1) Hotels, hospitals and club rooms, except the private living rooms thereof;

(2) Parks, including dance-halls and dance pavilions located therein;

(3) Schools and churches;

(4) Local advertising displays;

(5) Other public places, except theatres, motion picture theatres, places where motion pictures are regularly publicly shown, ships, and public dance halls other than those in parks;

(6) Any place in conjunction with radio broadcast transmitters or as a part of audiometers;

Provided, however, that in no event shall apparatus for the reproduction of sound be sold or leased for use in connection with the exhibition or projection of motion pictures or sold or leased to phonograph companies; and provided [fol. 4490] further, that nothing herein contained shall be deemed to prevent apparatus for the reproduction of sound which is sold or leased by others than Graybar for use in connection with the exhibition or projection of motion pictures, from also being used for the reproduction of sound independently of the exhibition or projection of motion pictures.

4. Specifically Excluded Field.

(a) Apparatus which is intended for use outside of the United States is specifically excluded from the provisions of this contract.

(b) Apparatus which is to be used for or incidental to any of the following purposes, is specifically excluded from the provisions of this contract:

(1) Radio communication of any kind, except only as to the radio broadcast transmitting stations mentioned in paragraph (b) of Section 3 of this Article.

(2) Picture-transmission and television, meaning thereby the transmission and/or reception of pictures, motion pictures, drawings, writings, images or any graphical or printed matter, as such including the transmission and reception of messages by a pictorial reproduction of the message.

(3) Recording of sound.

(4) Reproduction of sound from any type of record thereof, except as provided in paragraph (h), Section 3 of this article.

(5) Synchronizing or co-ordinating in any manner the recording or reproduction of sound with the operation of any apparatus, including, but not by way of limitation, motion picture apparatus.

(6) Submarine signalling.

(7) Direction finding; radio goniometry.

(8) Electrical commnication by means of submarine cables of the deep sea type, or by means of continuously loaded submarine cables.

(9) Development, manufacture, installation, operation, testing or maintenance of any apparatus for any of the purposes referred to in the foregoing paragraphs (1) to (8) inclusive.

[fol. 4491] 5. Protection of Field.

Graybar agrees to use due diligence to determine the use, purpose and ultimate destination for which apparatus ordered from it is intended by the customer, and Graybar is not authorized to sell any apparatus hereunder which it has knowledge of the customer's intent to use or to furnish to others to use for purposes outside the scope or field of this contract, or to export from the United States. In the

event that Graybar has knowledge that apparatus sold by it has subsequently been used for purposes outside the scope or field of this contract or exported from the United States, it is not authorized to make and agrees that it will not make any further sales hereunder to the customer in question, until it is assured that such further sales will not be in contravention of this contract.

6. New Processes, etc.

It is not intended that Graybar shall, by reason of this contract, have any right to exploit new processes, methods, materials, articles or apparatus (other than apparatus which may properly be considered improvements in the apparatus to be sold under this contract for the uses and purposes herein defined, and not specifically excluded herein) which may be developed by or for Western, even though such new processes, methods, materials, articles or apparatus consist in whole or in part of combinations of apparatus covered by this contract, except in those cases in which Western so requests Graybar in writing and the parties mutually agree upon the terms and conditions under which the commercial exploitation of the same shall be undertaken.

7. Acceptance of Appointment.

(a) Graybar hereby accepts the appointment as exclusive distributor for Western as herein specified and agrees [fol. 4492] diligently to promote the sale of apparatus of Western Electric manufacture for the uses and purposes and to the classes of customers covered by this contract.

(b) Graybar agrees that in making sales as distributor for Western under this contract it will abide by the practices and policies prescribed from time to time by Western governing sales of its products to the classes of customers covered hereby and for the uses and purposes herein provided, and further agrees that it will abide by the conditions prescribed from time to time by Western relating to its sales hereunder of apparatus covered by United States patents under which Western is licensed to sell only for certain specified uses and purposes; provided that none of such conditions shall prescribe the price at which Graybar shall sell said apparatus to its customers.

8. Examination, Audit and Information.

Western shall have the right from time to time during the term hereof and at all reasonable times during business hours to have its accredited representative examine the records and accounts of Graybar, and Graybar agrees to afford all necessary facilities for such examination and to permit Western to make such extracts and excerpts from said records and accounts as Western may deem desirable. Graybar agrees to furnish Western such information relating to the policies and practices followed and action taken by Graybar in complying with the provisions of this contract as Western may request from time to time during the term hereof.

9. Termination of Appointment.

It is agreed that in the event Graybar does not purchase from Western all of the apparatus for the uses and purposes covered by this contract which Graybar requires to supply its customers within the classes hereinabove defined and which Western is ready and able to furnish to Graybar, [fol. 4493] the appointment of Graybar as exclusive distributor as herein provided may, at the election of Western, be terminated by ninety (90) days' written notice to Graybar to that effect.

10. Reservations.

(a) All of the agreements in this instrument contained are and shall be subject to all contracts and obligations of Western existing on the effective date hereof, and Western reserves all rights which are necessary to enable it to fully perform said contracts and obligations and further reserves the right and option at any time or times hereafter to modify its existing contractual relations, or to substitute new contractual relations in place of then existing contractual relations and this contract shall be and become subject to all such modifications and substitutions.

(b) Western reserves the right and option at any time or times to withdraw from the provisions of this contract any or all of the classes of customers covered hereby, and also to limit or exclude any of the uses and purposes for which Graybar may sell apparatus hereunder, provided that in each such case Western shall give Graybar at least ninety (90) days' notice of its intention so to do.

(c) Western reserves the right to make sales of any apparatus for any uses to the subsidiaries of Western, to the employees of Western or of its subsidiaries, or to employees in the Bell Telephone System.

(d) Western reserves the right upon notice in writing to Graybar, to make sales of any apparatus for any uses direct to any of the customers specified in Section 2 of this Article in such special cases as Western deems advisable.

(e) Nothing herein contained shall be construed as a grant of licenses under patents, or to impose any limitation upon Western with respect to the grant of licenses under patents.

(f) The general reservations contained in paragraphs (a) and (b) of this Section 10 shall be in addition to any [fol. 4494] specific reservation of rights by Western in this contract, and shall not be limited in any manner or respect by such specific reservation even though similar thereto.

Article III

Prices and Terms

1. Most Favored Customers.

The prices to be paid by Graybar to Western for apparatus of Western Electric manufacture purchased hereunder by Graybar shall be those established by Western from time to time, which prices shall (except as hereinafter provided) be not in excess of those at which Western from time to time sells said apparatus for similar uses and purposes in like quantities to its most favored customers, and the terms of payment for apparatus so purchased by Graybar shall (except as hereinafter provided) be as favorable as those extended by Western from time to time to its most favored customers.

2. Excepted Customers.

The prices and terms of payment on sales to the following shall not be used in determining the prices or terms of payment to Graybar hereunder:

(a) Sales to companies comprising the Bell Telephone System and companies classified by Western as Class B companies.

(b) Sales to customers excluded from this contract pursuant to paragraphs (a) and (b), Section 2, and paragraph (b), Section 10, Article II hereof.

(c) Sales to subsidiaries of Western.

(d) Sales to the United States Government.

(e) Sales to employees of Western, to employees of its subsidiaries and to employees in the Bell Telephone System.

(f) Sales in special cases pursuant to paragraph (d), Section 10, Article II hereof.

[fol. 4495]

Article IV

General Provisions

1. Trade Names, Trade-Marks and Patent Markings.

All apparatus of Western Electric manufacture covered by this contract shall be sold by Graybar under the name "Western Electric" or such other trade name or names and/or trade-mark or marks as Western may from time to time hereafter adopt, unless Western shall waive in writing this requirement as to particular apparatus, in which event such particular apparatus may be sold under Graybar's name, or under such other trade name or trade-mark as Graybar may select and Western consent to in writing. On all said apparatus, whether sold under a trade name or trade-mark of Western or otherwise, Western shall have the right to place such patent markings or restrictive license markings (with or without its name in connection therewith) as it may deem advisable or necessary.

2. Stock of Apparatus.

Western agrees that it will use every reasonable effort to carry on hand at all times a reasonable stock of apparatus of Western Electric manufacture which it regularly furnishes hereunder to Graybar and which it ordinarily carries as stock apparatus.

3. Repairs to Apparatus.

Western agrees that, except as to repairs covered by Section 5 of this Article, it will make repairs to apparatus of Western Electric manufacture purchased by Graybar, at

such of Western's shops as Western may designate from time to time, and that the charges for such repairs shall be not in excess of those made by Western for similar work to its most favored customers other than those specified in Section 2, Article III hereof.

[fol. 4496] 4. Exchange of Information.

(a) Western agrees to furnish to Graybar from time to time, without charge (in so far as Western may from time to time have the right to furnish the same) such general technical information and literature relating to the apparatus of Western Electric manufacture sold to Graybar hereunder as is ordinarily furnished by a manufacturer to its distributor. In the event that copies of drawings and specifications of said apparatus are required by Graybar for the purposes of its sales hereunder, they shall be furnished by Western at prices and upon terms determined in the manner provided in Article III hereof.

(b) Graybar agrees that as and when general manufacturing and engineering information relating to apparatus of the general character now or hereafter manufactured by Western comes into its possession it will transmit promptly to Western such information together with a brief general description of such apparatus, and Graybar further agrees to furnish promptly to Western from time to time, without charge, such commercial information relating to said apparatus as Graybar now possesses or may acquire during the term of this contract and as may be of assistance to Western in improving said apparatus for commercial use and in developing new apparatus to meet commercial needs.

(c) All information furnished by either party to the other hereunder shall be kept confidential by the party to whom the same is furnished, except such information as it may be necessary to furnish to customers as instructions for the use of apparatus leased or sold and except that any information received by Western hereunder may be furnished by it to any of the companies comprising the Bell Telephone System, companies now or hereafter designated by Western as Class B companies and to any companies in which Western now or hereafter owns stock.

[fol. 4497] 5. Defective Apparatus.

Western agrees to repair or replace without charge, f.o.b. factory, any apparatus sold hereunder which, under normal and proper use and when used for the purpose for which it is intended, or, in the case of apparatus which is licensed only for certain specified uses, when used for such purposes, proves defective in workmanship or material within one (1) year from the date of shipment. The correction of such defects by repair or replacement shall constitute fulfillment of all of Western's obligations in respect to the apparatus sold hereunder. No warranties are implied, and Western shall not be liable for consequential damages.

6. Liability.

Western shall not be under any liability to Graybar for any loss, damage or delay in furnishing any apparatus or merchandise hereunder, or performing any act on its part to be performed hereunder, occasioned or caused by strikes, riots, fire, insurrection, war, the elements, embargo, failure of carriers, inability to obtain transportation facilities, acts of God or of the public enemy, prior orders, or limitations of Western's production, or by any causes beyond its control whether or not similar to the foregoing.

7. Sales of Not Western Electric Merchandise.

(a) It is understood that while this contract covers generally the distribution of apparatus of Western Electric manufacture only, each party agrees to sell to the other merchandise not of Western Electric manufacture which it regularly handles and which such other party may order from time to time during the term hereof.

(b) The prices to be paid by either party to the other for merchandise not of Western Electric manufacture pur-
[fol. 4498] chased by either party from the other from time to time during the term hereof shall be the cost of such merchandise plus a service charge to be determined by mutual agreement or, in default of such agreement, to be determined by arbitration in accordance with the provisions of Section 8, of this Article; provided, that in no event shall such service charge be less than the rate cur-

rent at the time under Western's standard supply contract with telephone companies.

(c) The terms of payment for merchandise of not Western Electric manufacture, purchased by either party from the other shall be on the same basis as provided in Article III hereof.

8. Arbitration.

In the event that the parties fail to mutually agree on the service charge provided to be paid under paragraph (b), Section 7, of this Article, either of the parties may make a request in writing for such matter to be referred to arbitration, in which event the parties shall endeavor to agree upon a single arbitrator, but should they be unable to so agree an arbitrator shall, upon application of either party on two days' written notice to the other, be appointed by the Presiding Justice of the Appellate Division of the Supreme Court of New York, First Department. The question of a reasonable service charge shall be promptly submitted to the arbitrator and each of the parties shall be required within thirty days after notice from the arbitrator to fully present its case, and the arbitrator shall within sixty days after final submission by the parties render his decision. The arbitrator shall in no event have power to fix a service charge which shall be less than the rate current at the time under Western's standard supply contract with telephone companies. The service charge fixed by the arbitrator shall be binding and conclusive upon both parties [fol. 4499] until such time as they mutually agree to a change therein or a different charge is determined by further arbitration hereunder. The cost of the arbitration shall be divided equally between the parties.

9. Addresses for Notices.

Until written notice of a change of address is personally served by either party upon the other, wherever hereunder any notice or other advice is required to be given the same shall be deemed to be sufficiently given when, if given by Western to Graybar, it shall be addressed to Graybar at No. 420 Lexington Avenue, New York City, and sent by registered mail, and when, if given by Graybar to Western, it shall be addressed to Western at No. 195 Broadway, New York City, and sent by registered mail.

10. Cancellation of Prior Contract.

This contract shall cancel and terminate the commercial agreement entered into by the parties hereto under date of December 31, 1925, and all licenses and rights therein granted or agreed to be granted, such cancellation to take effect as of the date this contract becomes effective.

11. Term of Contract.

This contract shall become effective on the 1st day of November, 1928, and shall continue in force until terminated upon one year's written notice from either party to the other, provided that such notice shall not be given by either party prior to the expiration of fourteen years from the date this contract becomes effective.

In witness whereof the parties hereto have caused this agreement to be executed by their officers thereunto duly [fol. 4500] authorized and their corporate seals to be hereunto affixed the day and year first above written.

Western Electric Company, Incorporated, by Everet A. Bloom, President. Attest: E. R. Finch, Asst. Secretary. Graybar Electric Company, Inc., by Albert L. Tait, President. Attest: T. Fuller, Secretary.

[fol. 4501]

EXHIBIT X-79

Western Electric Company, Inc.

Profits from Operations of Electrical Research Products, Inc., and Percentage of Return on Western Electric Company, Inc., Investment

(Dollars in Thousands)

	1927	1928	1929	1930
Net profits of Electrical Research Products, Inc., as shown by reports	$5,504	6,864	6,599	4,511
Deduct:				
Dividends received from:				
Graybar Electric Company, Inc.	$1,800	2,010	1,501	309
Northern Electric Company, Ltd.	314	261	259	163
Interest from investments	1,246	100	8	491
Revaluation of German War claim	....	1,717	....	40
Revaluation of Northern Electric Co. Ltd., stock	....	....	....	843
	$3,360	4,088	1,768	1,766
	$2,144	2,776	4,831	2,745

	1927	1928	1929	1930
Add undistributed earnings of foreign subsidiaries	....	35*	2,130	58*
Profits from operations	$2,144	2,741	6,961	2,687
Average investment of Western Electric Company, Inc., excluding investments and marketable securities of Electrical Research Products, Inc.	$2,299	2,250	2,250	2,250
% return	93.3	121.8	309.4	119.4
Average investment of Western Electric Company, Inc., excluding investments and marketable securities of Electrical Research Products, Inc. (giving effect to surplus earnings of Electrical Research Products, Inc.)	$3,371	5,375	10,226	14,718
% return	63.6	51.0	68.1	18.2

[fol. 4502]

EXHIBIT X-80

Electrical Research Products, Inc.

Copy of Journal Entry No. 150, Dated June 30, 1927

	Debit	Credit
Deferred receivables	$3,500,000.00	
Accrued discount		$402,000.00
Reserve on deferred receivables		1,000,000.00
Income from sundry investments		2,098,000.00

Series of nine installments to be received from International Telephone Sales and Engineering Corporation as follows:

Date due	Amount	Discount at 6% as of 6-30-27	Net amount
1-1-28	$500,000.00	15,000.00	485,000.00
1-1-29	500,000.00	45,000.00	455,000.00
1-1-30	500,000.00	75,000.00	425,000.00
1-1-31	350,000.00	73,500.00	276,500.00
1-1-32	350,000.00	94,500.00	255,500.00
1-1-33 Part	300,000.00	99,000.00	201,000.00
	$2,500,000.00	402,000.00	2,098,000.00
1-1-33 Balance	$50,000.00		
1-1-34	350,000.00		
1-1-35	300,000.00		
1-1-36	300,000.00		
	$1,000,000.00		
	$3,500,000.00		

Approved by Board of Directors, June 15, 1927.

Approval

(Signed) John Burgess, Senior Accountant. J. B. Coles, Senior Auditor. (Signed) S. W. Murkland, Assistant General Auditor. (Signed) R. H. Gregory, General Auditor.

[fol. 4503] Electrical Research Products, Inc.

Accrued Discount on Sale of Option

Discount set up June 30, 1927	$ 402,000.00
Taken up into profits as follows:	
Year 1927	$ 75,000.00
Year 1928	120,000.00
Year 1929	207,000.00
	$ 402,000.00
Reserve on deferred receivables set up June 30, 1927 J. E. # 150 (Still on books at December 31, 1931)	$1,000,000.00

NOTE.—On October 31, 1930, the reserve was credited to sundry income by J. E. #74, and reversed the same date on J. E. #82.

• • • • • • •

Cash Book Entries Relating to Sale of Option

May 27, 1927.	International Telephone Sales and Engineering Corporation, cashier's check of the National Park Bank, New York, endorsed as follows: Pay to the order of Electrical Research Products, Inc., International Telephone Sales and Engineering Corporation by H. L. Gary, Vice President (Credited to 'Income')	$500,000.00
Dec. 30, 1927.	Deferred bills receivable, Theodore Gary and Company, payment due January 1, 1928 on the obligation of the Automatic Products Corporation dated December 16, 1927	500,000.00
Jan. 2, 1929.	Deferred receivables, Theodore Gary and Company, Deferred receivables $3,500,000.00	500,000.00
Jan. 2, 1930.	Deferred receivables, Associated Telephone & Telegraph Co.	500,000.00
Oct. 24, 1930.	General, Weco Corporation ($49,422.18 represents interest)	2,049,422.18

(Explanation given on Weco Corporation J. E. #20, October 31, 1930, recites in part "obligation of Automatic Products Corporation repaid in full October 24, 1930, to Electrical Research Products, Inc., and transferred by E. R. P. I. to this Corporation October 25, 1930").

Total cash received, excluding interest $4,000,000.00

[fol. 4504]

EXHIBIT X-81

Western Electric Company, Inc.

Return on Investment in Northern Electric Company, Ltd.

(Dollars in Thousands)

Year	Average investment	Proportionate share of earnings	% Return on investment
1916	$1,370	292	21.3
1917	1,370	106	7.7
1918	1,370	223*	16.3*
1919	1,370	236	17.2
1920	1,370	39	2.8
1921	1,370	225*	16.4*
1922	1,370	57	4.2
1923	1,370	259	18.9
1924	1,370	247	18.0
1925	1,370	344	25.1
1926	1,370	562	41.0
1927	1,370	545	39.8
1928	1,370	518	37.8
1929	1,370	637	46.5
1930	3,180	532	16.7

* Red figures.

[fol. 4505]

EXHIBIT X-82

Western Electric Company, Inc.

Percentage of Return on Average Capital Stock and Surplus Allocated to Bell and Non-Bell Average Investment Based on a 10% Return on the Average Investment in Bell and Non-Bell Assets

(Dollars in Thousands)

Year	Average investment per Defendant's Exhibits A-77 and A-79	10% return thereon	Average capital stock allocated to Bell and Non-Bell business	% return	Average capital stock and surplus allocated to Bell and Non-Bell business	% return
1926	$172,622	17,262	.....*	...	86,220	20.0
1927	178,557	17,855	.....*	...	82,549	21.6
1928	176,580	17,658	65,000	27.2	75,409	23.4
1929	230,926	23,092	84,011	27.5	101,531	22.7
1930	289,354	28,935	124,588	23.2	153,264	18.9

*Capital stock and surplus not segregated prior to December 31, 1927.

[fol. 4506]

EXHIBIT X-83

Western Electric Company, Inc., and Subsidiaries

Consolidated Average Investment, Profits, and Percentage of Return

(Dollars in Thousands)

Year	Average investment per Company's computation	Net profit per Company	% Return on investment
1916	$80,299	2,769	3.4
1917	99,893	6,227	6.2
1918	113,747	6,639	5.8
1919	114,825	5,874	5.1
1920	148,508	8,576	5.8
1921	178,074	11,093	6.2
1922	164,864	10,133	6.1
1923	173,434	11,083	6.4
1924	209,681	17,264	8.2
1925	209,148	25,772	12.3
1926	219,907	18,611	8.5
1927	246,057	24,524	10.0
1928	218,809	27,727	12.7
1929	299,120	34,896	11.7
1930	372,538	19,995	5.4

(Here follows Exhibit X-83A, side folio 4507)

[fol. 4507]

EXHIBIT X-83A

Western Electric Company, Inc., and Subsidiaries

Computation of Average Investment (Per Touche, Niven & Co.)

(Dollars in Thousands)

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	19
Consolidated Gross Assets	$87,457	102,922	124,805	133,094	146,605	199,639	198,946	$186,670	221,126	238,180	233,995	255,267	22
Deduct:													
Notes payable:													
Trustee Pension Fund													
Other	$16	5,515	10,610	12,772	15,799	43,916	29,609	$12,030	183	291	810	795	4
Other current liabilities	6,742	15,472	10,783	11,317	17,390	17,562	17,824	21,035	26,628	27,614	28,337	29,065	25
Reserve for Employees' Benefit Pension Fund	1,076	1,078	1,581	1,734	1,802	1,807	1,839	2,008	2,282	4,313	10,491	15,762	15
Bills receivable and trade acceptances discounted						1,628	565	716	738	596			
Mortgages on property							1,650	1,650	1,650	1,650			
Patents	22					580	438	419	294	165			
Goodwill													
Elimination of inter-company gross profit on inventories	21	30	30	40	50	60	65	71	80	90	287	317	
Profit in 1930 on sale of land between W. E. Co and M. J. R. R.													
Total Deductions	$7,877	22,095	23,004	25,863	35,041	65,553	51,990	$37,929	31,855	34,719	39,925	45,939	47
Consolidated Net Assets before depreciation	$79,580	80,827	101,801	107,231	111,564	134,086	146,956	$148,741	189,271	203,461	194,070	209,328	181
Reserve for Depreciation	15,461	17,119	20,444	23,712	26,220	28,367	33,232	36,253	40,279	47,586	46,027	51,954	57
Consolidated Net Assets after depreciation	$64,119	63,708	81,357	83,519	85,344	105,719	113,724	$112,488	148,992	155,875	148,043	157,374	124
Average Investment before depreciation		80,203	91,314	104,516	109,397	122,825	140,521	147,848	169,006	196,366	198,765	201,699	195
Average Investment after depreciation		63,913	72,533	82,438	84,431	95,531	109,721	113,106	130,740	152,433	151,959	152,708	140

EXHIBIT X-83A

Western Electric Company, Inc., and Subsidiaries

Computation of Average Investment (Per Touche, Niven & Co.)

(Dollars in Thousands)

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	Total
	$87,457	102,922	124,805	133,094	146,605	199,639	198,946	$186.670	221,126	238,180	233,995	255,267	228,887	268,338	399,235	406,996	3,432,162
	$16	5,515	10,610	12,772	15,799	43,916	29,609	$12.030	183	291	810	795	4,967	21,055	26,405	32,530	84,957
	6,742	15,472	10,783	11,317	17,390	17,562	17,824	21.035	26,628	27,614	28,337	29,065	1,073	1,213	42,799	32,451	209,882
	1,076	1,078	1,581	1,734	1,802	1,807	1,839	2.008	2,282	4,313	10,491	15,762	25,178	32,856	46,877	25,801	360,481
						1,628	565	716	738	596			15,190	630	848	441	62,882
	22						1,650	1,650	1,650	1,650					1,500		5,743
						580	438	419	294	165					145	195	6,940
on in-																292	2,210
	21	30	30	40	50	60	65	71	80	90	287	317	653	1,600	2,080	23,813	23,813
o. and																1,771	7,245
																137	137
	$7,877	22,095	23,004	25,863	35,041	65,553	51,990	$37,929	31,855	34,719	39,925	45,939	47,061	57,354	120,654	117,431	764,290
	$79,580	80,827	101,801	107,231	111,564	134,086	146,956	$148,741	189,271	203,461	194,070	209,328	181,826	210,984	278,581	289,565	2,667,872
	15,461	17,119	20,444	23,712	26,220	28,367	33,232	36,253	40,279	47,586	46,027	51,954	57,592	62,689	71,787	84,767	663,489
	$64,119	63,708	81,357	83,519	85,344	105,719	113,724	$112,488	148,992	155,875	148,043	157,374	124,234	148,295	206,794	204,798	2,004,383
		80,203	91,314	104,516	109,397	122,825	140,521	147,848	169,006	196,366	198,765	201,699	195,577	196,405	244,782	284,073	2,483,297
		63,913	72,533	82,438	84,431	95,531	109,721	113,106	130,740	152,433	151,959	152,708	140,804	136,263	177,544	205,796	1,869,920

[fol. 4508]

EXHIBIT X-83-B

Western Electric Company, Inc., and Subsidiaries

Reconciliation of Consolidated Net Profits per Company with Consolidated Profits as Adjusted

(Dollars in Thousands)

Year	Consolidated net profits per Company	Adjustments to Profits: Pension fund	Extraordinary depreciation	Excessive depreciation	Federal income taxes	Profit on sale of assets	Total	Consolidated profits as adjusted before interest deductions	Deduct interest on current obligations	Consolidated profits as adjusted
1916	$2,769	391*	.....	364	5	.....	22*	2,747	90	2,657
1917	6,227	590*	.....	1,031	156	.....	597	6,824	519	6,305
1918	6,639	657*	.....	591	114*	.....	180*	6,459	750	5,709
1919	5,874	660*	.....	239	152	.....	269*	5,605	473	5,132
1920	8,576	1,044*	.....	1,400	83	.....	439	9,015	1,638	7,377
1921	11,093	1,351*	.....	1,136	108*	.....	323*	10,770	2,780	7,990
1922	10,133	1,528*	.....	168*	5*	.....	1,701*	8,432	877	7,555
1923	11,083	2,090*	.....	44*	229	.....	1,815*	9,268	1,159	8,109
1924	17,264	209*	1,562	77	64*	.....	1,366	18,630	791	17,839
1925	25,772	1,773	2,168	607*	6	4,102 (A)	7,442	33,214	40	33,174
1926	18,611	3,100	2,102	147*	130	.....	5,185	23,796	107	23,689
1927	24,524	2,871	1,803	555*	473*	.....	3,646	28,170	232	27,938
1928	27,727	249	2,000	897	409	457 (B)	4,012	31,739	565	31,174
1929	34,896	78	.....	4,690	125	.....	4,893	39,789	2,810	36,979
1930	19,995	.....	.....	1,622	291*	.....	1,331	21,326	2,922	18,404

* Red figures.

(A) Additional profit on sale of International Western Electric Company $1,989
Profit on sale of property to Bell Telephone Laboratories 2,113

$4,102

(B) Additional profit on sale of Graybar Electric Company .....

[fol. 4509]

EXHIBIT X-87

Western Electric Company, Inc., and Subsidiaries

Consolidated Average Investment, Profits, and Percentage of Return

(Dollars in Thousands)

Year	Average investment as adjusted before depreciation	Profits as adjusted	% Return on investment
1916	$80,203	2,657	3.3
1917	91,314	6,305	6.9
1918	104,516	5,709	5.5
1919	109,397	5,132	4.7
1920	122,825	7,377	6.0
1921	140,521	7,990	5.7
1922	147,848	7,555	5.1
1923	169,006	8,109	4.8
1924	196,366	17,839	9.1
1925	198,765	33,174	16.7
1926	201,699	23,689	11.7
1927	195,577	27,938	14.3
1928	196,405	31,174	15.9
1929	244,782	36,979	15.1
1930	284,073	18,404	6.5

[fol. 4510]

EXHIBIT X-88

Western Electric Company, Inc., and Subsidiaries

Consolidated Average Investment, Profits, and Percentage of Return

(Dollars in Thousands)

Year	Average investment as adjusted after depreciation	Profits as adjusted	% Return on investment
1916	$64,095	2,657	4.1
1917	73,412	6,305	8.6
1918	84,128	5,709	6.8
1919	86,536	5,132	5.9
1920	98,456	7,377	7.5
1921	113,914	7,990	7.0
1922	117,783	7,555	6.4
1923	135,311	8,109	6.0
1924	157,801	17,839	11.3
1925	158,928	33,174	20.9
1926	161,436	23,689	14.7
1927	151,133	27,938	18.5
1928	148,664	31,174	21.0
1929	193,739	36,979	19.1
1930	225,147	18,404	8.2

[fol. 4511] EXHIBIT X-89

Western Electric Company, Inc.

Basis of Published Figures of Companies Included in Defendant's Exhibit A-85

(Taken from Poor's Manual)

Company	Consolidated	Not consolidated	Subsidiaries
Air Reduction Co., Inc.	1925-1930		Yes
Allied Chemical and Dye Corp.	1925-1930		Yes
American Agricultural Chemical Co.	1925-1930		Yes
American Chain Co., Inc.	1925-1930		Yes
American Cyanamid Co.	1927-1930	1925-1926	Yes
American Ice Company	1925-1930		Yes
American Locomotive Company	1925-1930		Yes
American Radiator & Standard Sanitary Corp.	1925-1930		Yes
American Safety Razor Corp.	1925-1930		Yes
American Snuff Company		1925-1930	No
American Steel Foundries	1925-1930		Yes
Archer-Daniels-Midland Company	1925-1930		Yes
Atlas Powder Company	1925-1930		Yes
E. W. Bliss Company	1925-1930		Yes
Brown Shoe Company	1925-1930		Yes
Burroughs Adding Machine Company	1925-1930		Yes
J. I. Case Company		1925-1930	Yes
Caterpillar Tractor Co.	1925-1930		Yes
Chrysler Corporation	1925-1930		Yes
Columbian Carbon Company	1925-1930		Yes
Congoleum-Nairn, Inc.	1925-1930		Yes
Congress Cigar Company (Incorporated in 1926)		1927-1930	No
Continental Baking Corporation	1925-1930		Yes
Continental Can Co., Inc.	1925-1930		Yes
Continental Motors Corp.	1925-1930		
Deere & Co.	1925-1930		
Dennison Mfg. Co.	1929-1930	1925-1928	
Diamond Match Co.		1925-1930	
E. I. du Pont de Nemours & Co.	1925-1930		
Electric Storage Battery Co.	1925-1930		
Endicott-Johnson Corp.	1925-1930		Yes
Eureka Vacuum Cleaner Co.		1925-1930	No
Fairbanks, Morse & Co.	1925-1930		Yes
General Baking Corp.	1925-1930		Yes
General Cigar Co., Inc.		1925-1930	No
Consolidated Cigar Corp.	1925-1930		Yes
General Electric Co.		1925-1930	Yes
General Motors Corp.	1925-1930		Yes
General Railway Signal Co.	1925-1930		Yes
Glidden Co.	1925-1930		Yes

EXHIBIT X-89—Continued

[fol. 4512]

Company	Consolidated	Not consolidated	Subsidiaries
B. F. Goodrich Co.	1925-1930		Yes
Goodyear Tire & Rubber Co.	1925-1930		Yes
Holland Furnace Co.		1925-1930	No
Hudson Motor Car Co.	1925-1930		Yes
Hupp Motor Car Corp.	1925-1930		Yes
Ingersoll-Rand Co.	1925-1930		Yes
International Business Machine Co.	1925-1930		Yes
International Cement Corp.	1925-1930		Yes
International Harvester Co.	1925-1930		Yes
International Shoe Co.	1925-1930		Yes
International Silver Co.		1925-1930	Yes
Liggett & Myers Tobacco Co.		1925-1930	No
Liquid Carbonic Corp.		1925-1930	Yes
P. Lorillard Co.		1925-1930	Yes
Mack Trucks Co.	1925-1930		Yes
Marlin-Rockwell Corp.	1925-1930		Yes
Mathieson Alkali Works, Inc.		1925-1930	No
Motor Wheel Corp.		1925-1930	Yes
Nash Motors Co.		1925-1930	No
National Cash Register Co.		1925-1930	Yes
National Lead Co.	1925-1930		Yes
National Supply Corp.	1925-1930		Yes
Parke, Davis & Co.		1925-1930	No
Procter & Gamble Co.	1925-1930		Yes
Purity Bakeries Corp.	1925-1930		Yes
Radio Corp. of America	1925-1930		Yes
Remington Arms Co., Inc.	1925-1930		Yes
Reo Motor Car Co.		1925-1930	Yes
R. J. Reynolds Tobacco Co.		1925-1930	No
St. Regis Paper Co.	1928-1930	1925-1927	Yes
Simmons Co.	1925-1930		Yes
A. O. Smith Corp.		1925-1930	No
A. G. Spalding & Bros.	1925-1930		Yes
Spicer Mfg. Co.	1925-1930		Yes
Stewart-Warner Corp.	1925-1930		Yes
Studebaker Corp.	1925-1930		Yes
Timken Detroit Axle Co.	1925-1930		Yes
Timken Roller Bearing Co.	1925-1930		Yes
Torrington Co.	1925-1930		Yes
Union Carbide and Carbon Corp.	1925-1930		Yes

[fol. 4513]

U. S. Gypsum Co.	1925-1930		Yes
U. S. Industrial Alcohol Co.	1925-1930		Yes
Ward Baking Corp.	1925-1930		Yes
Warren Bros. Co.	1925-1930		Yes
Westinghouse Electric & Mfg. Co.	1925-1930		Yes
White Motor Co.	1925-1930		Yes
Willys-Overland, Inc.	1925-1930		Yes
Yale & Towne Co.		1925-1930	Yes

[fol. 4514] EXHIBIT X-90

Western Electric Company, Inc.

Comparison of Earnings and Rate of Return Computed on the Basis Shown in Exhibit A-85 with That of Exhibits A-77 and A-79

(Dollars in Thousands)

	Poor's Manual (as per Exhibit A-85)			Exhibits A-77 and A-79		
Year	Average investment before depreciation	Earnings available for interest and dividends	% Return	Average investment before depreciation	Net profits (operating)	% Return
1916	$71,568	3,204	4.48	$59,095	3,870	6.55
1917	81,474	4,160	5.11	82,958	5,800	6.99
1918	92,874	5,050	5.44	93,790	6,034	6.43
1919	95,763	5,651	5.90	92,858	5,376	5.79
1920	112,870	8,276	7.33	125,471	7,290	5.81
1921	131,853	10,165	7.71	152,511	8,474	5.56
1922	135,039	9,235	6.84	140,343	8,034	5.72
1923	137,989	10,078	7.30	150,771	9,115	6.05
1924	163,285	14,505	8.88	178,920	13,245	7.40
1925	185,036	16,073	8.69	184,469	15,580	8.45
1926	190,757	16,431	8.61	172,622	14,247	8.25
1927	185,709	19,339	10.21	178,557	18,165	10.17
1928	188,577	22,023	11.68	176,580	19,876	11.26
1929	233,549	31,555	13.51	230,926	23,761	10.29
1930	280,643	20,297	7.23	289,354	12,934	4.47

EXHIBIT X-91

Western Electric Company, Inc.

Percentage of Return on "Average Net Investment" (Exclusive of Bonded Indebtedness) to "Earnings Available for Dividends," Taken from Poor's Manual

(Dollars in Thousands)

Year	Capital	Surplus	Special reserves	Total	Average investment after depreciation and exclusive of bonded indebtedness	Earnings available for dividends	% of return
1915	$40,229	.....	$4,346	$44,575	.....	.....	.....
1916	40,454	.....	2,801	43,255	$43,915	$2,325	5.29
1917	55,755	.....	4,333	60,088	51,671	2,852	5.52
1918	55,966	.....	4,984	60,950	60,519	3,510	5.80
1919	57,055	.....	4,833	61,888	61,419	4,389	7.15
1920	57,949	.....	4,618	62,567	62,228	4,240	6.81
1921	58,773	.....	4,819	63,592	63,080	4,324	6.85
1922	99,611	.....	4,918	104,529	84,061	5,332	6.34
1923	101,804	.....	4,808	106,612	105,571	8,920	8.45
1924	105,203	.....	4,859	110,062	108,337	10,127	9.35
1925	101,435	.....	6,314	107,749	108,905	14,283	13.12
1926	108,509	.....	6,970	115,479	111,614	14,574	13.06
1927	75,000	$12,988	113	88,101	101,790	17,356	17.05
1928	100,000	10,784	125	110,909	99,505	19,708	19.81
1929	150,000	14,557	139	164,696	137,802	26,995	19.59
1930	180,000	6,932	184	187,116	175,906	15,625	8.88
	$1,387,743	$45,261	$59,164	$1,492,168	.....	.....	.....

[fol. 4516] EXHIBIT X-92

J. I. Case Company—Poor's 1931 (1766, 1767):

Depreciation Policy.—It is the policy of the Company to provide adequate depreciation reserves in line with plant activity. The total amount of the depreciation reserve account at the close of 1928 was $5,665,233 or 34.83% of the book value of the property subject to depreciation. It is not the Company's policy to charge the cost of ordinary renewals and repairs against the depreciation reserve account, but to absorb such expense in the annual operation costs.

Hupp Motor Car Corporation—Poor's 1931 (1529, 1530):

Depreciation Policy.—It is the policy of the Company to charge off the following percentages for depreciation. All reinforced concrete buildings, 2%; mill constructed buildings, 5%; machinery and equipment, 10%; factory cars, 20%; furniture and fixtures, 10%; office machinery, 20%.

Reo Motor Car Company—Poor's 1931 (1894):

None declared.

The Studebaker Corporation—Poor's 1931 (1573, 1574):

Depreciation Policy.—The policy of the Corporation is to charge off to expense all items of repairs and replacements and further to provide for depreciation at rates calculated upon the book value of the several classes of property adequate to extinguish the book value of such assets over the average effective life of the various units. The principal rates of depreciation used are as follows: Buildings, mill construction, 2%; concrete, 1%; machinery, 3%; tools, 4%, 5% and 7%; electrical apparatus, 3%, 5% and 6%; furniture and fittings, 4%, 5% and 6%.

The White Motor Company—Poor's 1931 (2018):

None declared.

Continental Motors Corporation—Poor's 1931 (1096, 1097):

Depreciation Policy.—It is the policy of the Company to provide ample reserves for depreciation of buildings, equip-

ment, etc., in accordance with approved accounting practice. The annual rates applied to the more important groups of its property are as follows: Buildings, 2%; building fixtures, 7½%; engine and boiler equipment, 7½%; plumbing, heating and sprinkler systems, 4%; machinery and equipment, 7½%; belting, 7½%; automobiles and trucks, 25%.

Marlin-Rockwell Corporation—Poor's 1931 (1537, 1538):

Depreciation Policy.—It is the practice of the Corporation to charge off annually depreciation on the fixed assets of its various plants. The percentages used based on cost are approximately as follows: Buildings, 2% to 4%; machinery, 10%; equipment, 10% to 25%.

Motor Wheel Corporation—Poor's 1931 (1522, 1523):

Depreciation Policy.—Corporation writes off depreciation at the following annual rates: Buildings (steel and concrete) 1½%; buildings (wood) 5%; general machinery, 7½%; transmission equipment, 7½%; belting, 10%; welding equipment, 7½%; furnaces, forges and tanks, 15%; pickling tanks, 50%; automotive equipment, 25%.

[fol. 4517] A. O. Smith Corporation—Poor's 1931 (1011, 1012):

Depreciation Policy.—The Corporation's policy has been to provide reserves for depreciation at an annual average rate of approximately 7%, in addition to keeping both the buildings and all the equipment in good repair and charging these, together with replacements and renewals, to operating expenses. Depreciation rates are of varying amounts according to the units depreciated, and are as large as permitted by the Treasury Department.

Spicer Manufacturing Corporation—Poor's 1931 (1987):

None declared.

The Timken-Detroit Axle Company—Poor's 1931 (1627):

None declared.

American Radiator & Standard Sanitary Corporation—Poor's 1931 (532):

None declared.

American Cyanamid Company—Poor's 1931 (1067, 1069):

Depreciation and Depletion Policy.—Company's policy is to set aside annually from earnings in a reserve account, such amount as will be sufficient to amortize the value of its properties at the end of the useful life thereof.

Archer-Daniels-Midland Company—Poor's 1931 (1159):

Depreciation Policy.—The policy of the Company is to make ample provision for depreciation based upon past experience and the estimated lives of the different items involved. The average rates are: Buildings, 2%; machinery, 5%; automobiles, 20%; electrical equipment, 8⅓%.

Atlas Powder Company—Poor's 1931 (1502, 1503):

Depreciation Policy.—The Company's policy as to depreciation has been to maintain all buildings and equipment in first class condition and repair by expenditures which have been charged to operating expense. The value of buildings and equipment replaced or renewed has been charged to expense of operation through the depreciation reserve or direct to costs. In addition the Company has provided reserves for depreciation and obsolescence, which at the close of the calendar year 1930 amounted to $5,292,624.

The B. F. Goodrich Company—Poor's 1931 (2179, 2181):

Depreciation Policy.—It is the policy of the Company to provide ample reserve for depreciation of buildings, equipment, etc., in accordance with approved accounting practice. Each building is treated individually and the depreciation percentage, never less than 2%, is so calculated with proper regard to the character of the building as to write off the cost within the life of the building. Where the Company, in connection with its building replacement and extension plan contemplates the removal and replacement of a building, it is depreciated at such a rate in excess of the minimum of 2% as will write off its cost within the period remaining before removal. Depreciation on machinery and

equipment is based entirely on the estimated life of each individual item and is so calculated as to write off the cost within the life of the particular item. In no case is the depreciation basis on machinery and equipment less than 5%. Where, however, the Company contemplates the removal and replacement of any item due to obsolescence, the [fol. 4518] depreciation rate on that item is adjusted to such a rate in excess of the minimum of 5% as will write off its cost within the period remaining before removal. All repairs on buildings, machinery and equipment are treated as items of operating cost.

The Goodyear Tire & Rubber Company—Poor's 1931 (1662):

None declared.

American Ice Company—Poor's 1931 (1756):

None declared.

The Diamond Match Company—Poor's 1931 (2554, 2555):

Depreciation Policy.—The policy as to depreciation heretofore instituted will be continued. Under this policy there are charged against operations all items of repair and replacement necessary to maintain plants, machinery and equipment in a high state of efficiency, and also to make adequate provision for the depreciation and amortization, of such of its properties as are subject to losses of this character, by setting up reserves. Such reserves are based upon costs and are provided at annual rates of not less than: Buildings, 3%; power plants and engines, 5%-7½%; machinery, 8⅓%; miscellaneous, 5%.

Eureka Vacuum Cleaner Company—Poor's 1931 (1314, 1315):

Depreciation.—Rates employed by the Company for depreciation are as follows: Machinery and equipment, 12% of cost per annum; automobiles and trucks, 33⅓%; office furniture and fixtures, 10%; buildings, 2½%.

The Procter & Gamble Company—Poor's 1931 (943):

None declared.

Simmons Company—Poor's 1931 (2836, 2838):

Depreciation Policy.—Rates of depreciation on the principal items are as follows: Real estate improvement, 5% to 6⅔%; buildings, 3%; machinery, electrical power plant and miscellaneous equipment, 10%; tools, 20%; piping, pulleys, shafting, etc., 5%; tracks, 10%; switch engine and hoist, 6⅔%; all autos, 25%; patterns, 30%; factory fixtures and fittings, 12½%; hand trucks and paint racks, 20%; office furniture and fixtures, 10%; office mechanical appliances, 25%; service station furniture and fixtures, 12½%.

Brown Shoe Company, Inc.—Poor's 1931 (987):

None declared.

Endicott Johnson Corporation—Poor's 1931 (1445, 1446):

Depreciation Policy.—The policy of the Corporation as to depreciation is to charge off to expense all items of repairs and replacements and further to provide for depreciation at rates, calculated upon the book value of the several classes of property, adequate to extinguish the book value of such assets during the average effective life of the various units.

[fol. 4519] The following are the rates of depreciation upon the items stated: Buildings, 4%; machinery, 6%; power equipment, 12½%; factory equipment, 20%; office furniture and fixtures, 10%; automobiles, 25%.

International Shoe Company—Poor's 1931 (1099, 1100):

Depreciation Policy.—Company each year charges off for depreciation 2½% on buildings and 9% on cost value of machinery and equipment. Lasts, dies and patterns are carried on the books at $1 and are charged to operations as purchased. Charge for depreciation is based upon the estimated life of the various plant and equipment items and, as a whole, is equivalent to approximately 3½% of the present reproductive value of the entire properties of the Company, exclusive of land.

E. W. Bliss Company—Poor's 1931 (2186):

None declared.

Fairbanks, Morse & Co.—Poor's 1931 (1801):

None declared.

Ingersoll-Rand Company—Poor's 1931 (2240, 2241):

Depreciation Policy.—Depreciation is provided at the rate of 10% per annum on machinery, 2½% per annum on buildings, and 5% per annum on water, electric light, sewage and similar distribution systems, based in all cases on actual cost.

The National Supply Company of Delaware—Poor's 1931 (1762, 1763):

Depreciation Policy.—Liberal depreciation is annually written off, the minimum rate ranging from 3% to 10%, depending upon the character of the property.

Parke, Davis & Company—Poor's 1931 (1265):

None declared.

American Chain Company, Inc.—Poor's 1931 (1636, 1638):

Depreciation Policy.—The Company and its subsidiaries use the following minimum rates of depreciation: Buildings and building equipment, 2%–5%; machinery, 7½%–10%; tools and miscellaneous equipment, 15%; patterns, 10%–15%; shop fittings, 25%; furnaces, 7½%–20%; office furniture, 10%–12½%. During periods of excessive wear and tear the above rates have been increased between 50% and 100%.

American Safety Razor Corporation—Poor's 1931 (1535, 1536):

Depreciation Policy.—It is the policy of the corporation to charge off annually 2½% on buildings, 7% on building equipment, 10% on machinery equipment, office furniture and fixtures, and 33⅓% on automobiles.

[fol. 4520] The Glidden Company—Poor's 1931 (1086, 1088):

Depreciation Policy.—The rate of depreciation which has been used on buildings has been 2% per annum. The rate

of depreciation used on machinery and equipment is 5%, furniture and fixtures 10%, automobiles, motor equipment, etc., 40% yearly. The Board of Directors have felt that the depreciation rate of 10% on the machinery and equipment was too high and for that reason adopted a resolution on March 24, 1922, changing the rate of depreciation on machinery and equipment to 5%, this to be effective as of January 1, 1921.

International Silver Company—Poor's 1931 (1595, 1596):

Depreciation.—In addition to keeping plants in first class condition by liberal maintenance charges, annual provision for depreciation and obsolescence is made by charging the following rates: Buildings, 2½%; underground piping, 2½%; piping, 6%; plumbing and heating fixtures, 6%; elevators, 6%; electric light equipment, 6%; sprinkler system, 6%; fixtures, 6%; machinery, 6%; shafting, pulleys, etc., 6%; power plants, 6%.

The Liquid Carbonic Corporation—Poor's 1931 (989, 990):

Depreciation.—The rates of depreciation charged by the Corporation on the principal depreciable items, during recent years, have been substantially as follows: Buildings, 2½%; machinery and equipment, 5%; furniture and fixtures, 10%; auto trucks, 20%; horses and wagons, 20%; cylinders, 3½%.

National Lead Company—Poor's 1931 (1439):

None declared.

Remington Arms Company, Inc.—Poor's 1931 (1890, 1892):

Depreciation Policy.—Depreciation at the current rates approximates $215,000 per annum. This will be increased in subsequent years by depreciation of the properties acquired or to be acquired, with the proceeds of the above bond issue. The present annual rates in effect are as follows: Brick and concrete buildings, etc., 1⅓%; wooden buildings, 3⅓%; equipment forming part of buildings, 4%; machinery, furniture and other movable equipment, 2% to 25%; and tools, 6⅔% to 10%.

Burroughs Adding Machine Company—Poor's 1931 (2203, 2207):

Depreciation Policy.—Depreciation calculated to measure the useful life of the property has always been provided for on a uniform basis, due consideration being given both to deterioration and to obsolescence. The principal rates used are: Buildings, 2½%; machinery, equipment, office furniture and fixtures, 10%; patterns, drawings, tools and dies, 25%.

International Business Machines Corporation—Poor's 1931 (1752, 1754):

Depreciation Policy.—The consolidated companies make adequate reserves for depreciation of buildings, plant, equipment and rental machines. The annual rates on buildings average about 3½%; on machinery, from 7% to 18%; on tools, dies, jigs and fixtures from 15% to 20%; and on all other equipment and machines, 12% to 20%.

[fol. 4521] The National Cash Register Company—Poor's 1931 (1992, 1993):

Depreciation Policy.—Corporation has for many years maintained a conservative policy of depreciation, shown by the following table of percentages which are deducted in the items mentioned per annum: Buildings, 2½%; machinery, furniture and fixtures, 8⅓%; manufacturing equipment, 16⅔%; railroad equipment, 10%; power house equipment, outside equipment, autos and trucks, 16⅔%; factory electric trucks, 20%; conveyor system and tools, 10%; office furniture and fixtures, 8⅓%.

Radio Corporation of America—Poor's 1931 (2849):

None declared.

American Locomotive Company—Poor's 1931 (1490):

None declared.

American Steel Foundries—Poor's 1931 (1554, 1555):

Depreciation Policy.—It is the policy of the Company to fully provide for depreciation (1) by being conservative in charges to capital. All smaller items of that character

being charged direct to profit and loss or absorbed in costs; (2) by being liberal in the matter of repairs which are charged into costs, many of which are difficult to differentiate from replacements; (3) by setting aside not less than $1 per ton of steel castings produced.

General Railway Signal Company—Poor's 1931 (1191):

None declared.

American Snuff Company—Poor's 1931 (1264):

None declared.

Congress Cigar Company, Inc.—Poor's 1931 (2051, 2052):

Depreciation Policy.—The Company follows a liberal policy with respect to depreciation and seeks to make its charges accord so far as possible with past experience. Its rate on buildings is 2½%, on machinery 5% and on fixtures and equipment 10%.

Consolidated Cigar Corporation—Poor's 1931 (1348, 1349):

Depreciation.—The following is a schedule indicating the percentage of depreciation taken by Corporation on various types of buildings and equipment per annum: Machinery and equipment, 10%; construction, 20%; automobiles, 25%; frame buildings, 3%; brick buildings, 2%.

[fol. 4522] General Cigar Co., Inc.—Poor's 1931 (1189, 1190):

Depreciation Policy.—Company bases its depreciation policy on the estimated useful life of the property. The percentages allowed for depreciation are as follows: On fixtures, equipment and machinery, 1% per month; on buildings, 5% per annum; on fixtures of retail stores the depreciation is based on the life of the lease.

Liggett & Myers Tobacco Company—Poor's 1931 (1193, 1194):

Depreciation Policy.—It has been the consistent policy of Company since its organization to charge off yearly an ample amount for depreciation; 3% on real estate and buildings and 5% on machinery and fixtures.

P. Lorillard Company—Poor's 1931 (1375, 1376):

Depreciation Policy.—The policy of the Company with respect to depreciation on machinery and fixtures, and office furniture and fixtures, is to set aside annually in a reserve account such an amount as will suffice at the end of the useful life of the property, estimated to be at an average of twenty years, to replace the property. Ordinary repairs and renewals are charged to expenses. As to real estate, a depreciation on basis of 3% is set up on value of improvements to cover depreciation of improvements.

R. J. Reynolds Tobacco Company—Poor's 1931 (1126, 1127):

Depreciation Policy.—Company claims and uses as an expense each year an amount equal to the maximum amount allowed by the United States Government Bureau of Internl Revenue as depreciation upon its properties of all classes. This policy has obtained and has been complied with practically from the beginning of the business. In addition thereto, since 1918, when charges for obsolescence were first allowed, an amount equal to 5% on the items affected has been used as an expense each year.

[fol. 4523] Air Reduction—Poor's 1931 (1391, 1393):

Depreciation Policy.—The policy of the Company as to depreciation of property is as follows: It accumulates monthly reserves for depreciation at annual rates of from 2% to 33⅓%, depending on the character and age of the property.

Allied Chemical and Dye Corporation—Poor's 1931 (1814):

None declared.

American Agricultural Chemical Company—Poor's 1931 (1152, 1153):

Depreciation and Depletion Policy—The basis for the calculation of depreciation is the estimated useful life of each item of property subject to depreciation as determined by an independent survey made by the American Appraisal Co. The amount so determined is charged off the actual original cost of the respective items of property. Depletion

rates are determined by dividing the fair value of the phosphate rock expected to be mined during the next succeeding 40 years by the total prospected tonnage of the mine.

Caterpillar Tractor Co.—Poor's 1931 (1262, 1263):

Depreciation Policy—The following are the annual rates of depreciation based on estimated useful life taken against the capital assets of Company on the basis of appraised value: Buildings, 2% to 5%; office furniture and fixtures, 8% to 10%; machinery and jigs, 6% to 20%; patterns, 20%; automobiles and trucks, 25%.

Chrysler Corporation—Poor's 1931 (2262, 2263):

Depreciation Policy—The depreciation rates in use by the Corporation are based upon the following annual rates: Building, 3%; real estate improvements, 10%; water and sewerage, 6%; heating and ventilating, 7½%; gas and air installation, 7½%; sprinkler system, 7½%; electrical installation, 10%; machinery and equipment, 12%; power transmission, 10%; furnaces, forges, ovens, etc., and miscellaneous, 15%; factory cars, 40%; furniture and fixtures, 12½%; tools and dies (amortized over car production).

Columbian Carbon Company—Poor's 1931 (1689, 1690):

Depreciation and Depletion Policy—Company provides for depreciation by the straight line method on the basis of cost, the rates varying from 5% on tank cars to 33⅓% on automobiles, the average rate on all classes of property being 15%. Depletion as provided for on the general basis in Section 214 of the Revenue Act of 1926, i. e., 27½% of the gross value of the output not exceeding 50% of the net.

Congoleum-Nairn Inc.—Poor's 1931 (1339):

None declared.

Continental Can Co., Inc.—Poor's 1931 (1305, 1307):

Depreciation Policy.—Reserve for depreciation is figured at 3% on the entire real estate, plant, machinery and equipment account of the can factories; at 4% on the real estate, plant, machinery and equipment account of the tin plate mill; and at 10% on the real estate, plants, machinery and

equipment accounts of the Los Angeles Can Corp., the Continental Can Co., Inc., of California, and the Continental Can Co., Inc., of Washington.

Continental Baking Corporation—Poor's 1931 (2356):

None declared.

[fol. 4524] Deere & Company—Poor's 1931 (1183):

None declared.

Dennison Manufacturing Co. (Not in Standard Statistics Bulletin)—Poor's 1931 (552):

None declared.

E. I. Du Pont De Nemours & Company—Poor's 1931 (1238, 1241):

Depreciation Policy.—The main purpose for the depreciation reserves is to provide a fund to take care of the permanent assets as they become obsolete, it being the practice of the Company to carry all permanent assets at their original cost value and to charge operations with all repairs and replacements rather than to charge same against the depreciation reserve. A reserve for depreciation is provided for all the permanent assets, with the exception of real estate. Buildings, equipment and houses are depreciated at the rate of 3% to 6% per annum, except on certain special buildings and equipment to which is applied a rate of 10% to 20% per annum. Automobiles are depreciated at the rate of 30% per annum and auto trucks on a conservative mileage basis. Portable and permanent magazines located on leased land are depreciated at the rate of 6% per annum. No depreciation is set up on magazines and warehouses located on Company's own properties, as experience has proven that appreciation in real estate more than offsets depreciation on buildings.

The Electric Storage Battery Co.—Poor's 1931 (1523):

None declared.

General Baking Company—Poor's 1931 (1854, 1855):

Depreciation Policy.—The policy of the Company as to depreciation is to set aside a reserve annually at the follow-

ing rates: Buildings, 1½%; ovens, 5%; machinery and equipment, 5% to 15%; horse-drawn vehicles, 8%; other delivery equipment, 10% to 15%.

General Electric Company—Poor's 1931 (2092):

None declared.

General Motors Corporation—Poor's 1931 (2070, 2072, 2075):

Research.—General Motors Research Laboratories, Detroit, Mich. Maintained for the continuous improvement of General Motors products. General Motors Proving Ground, Milford, Mich. A 1268-acre "outdoor laboratory" for the testing of General Motors cars and trucks. The average number of employees of the Corporation, not including certain affiliated companies, for 1930 was 172,938 as compared with 233,286 for 1929, 208,981 for 1928 and 175,666 for 1927.

Depreciation Policy.—Depreciation is computed by General Motors Corporation and its subsidiaries by the straight line method, without regard to salvage or residual value, on the basis of cost, or sound values as determined by independent appraisals, at the following annual rates: Buildings, 3%; machinery and equipment, 10%; furniture and fixtures, 10%; land improvements, 5%.

[fol. 4525] Holland Furnace Company—Poor's 1931 (1966, 1967):

Depreciation Policy.—It is the policy of Company to capitalize all permanent assets at cost. Depreciation is charged off on the straight line method, covering the average life of the assets in any particular group. Whenever assets are disposed of at less than their book value, the difference is immediately charged off as a capital loss. On the other hand, whenever an asset is completely depreciated, the lapse is properly adjusted. Experience has shown in the past years that on the whole the rates have more than covered actual depreciation. Annual charge offs are at the following rates: Buildings, 3%; machinery and equipment, 10%; office furniture and fixtures, 10%; office machinery and equipment, 20%; patterns, dies and flasks,

20%; cleaner equipment, 38-8/9% first year, 33⅓% second year, 16⅔% third year, 11-1/9% fourth year.

Hudson Motor Car Company—Poor's 1931 (1321, 1322):

Depreciation Policy.—It is the policy of the Company to provide ample reserves for depreciation of buildings, equipment, etc., in accordance with approved accounting practice.

International Cement Corporation—Poor's 1931 (1731, 1733):

Depreciation Policy.—It is the policy of the corporation to provide ample reserves, not only against depreciation of plants and machinery, but also against depletion of raw material deposit. The rates of depreciation charged by the Subsidiary Companies are based on the Mortality Schedule adopted by the Portland Cement Association which average approximately 6¼% to 6½% per annum, and which have been approved by the Treasury Department of the United States for Income tax purposes and by the Federal Trade Commission.

International Harvester Company—Poor's 1931 (1468):

None declared.

Mack Trucks, Inc.—Poor's 1931 (1648, 1649):

Depreciation Policy.—The normal depreciation rates per year had been standardized as follows: Building and building equipment, 5 per cent; machinery, 7½ to 10 per cent; power plant and transmission equipment, 10 per cent; office and factory furniture and fixtures, 15 per cent; auto and trucking equipment, 25 per cent; small tools and miscellaneous shop equipment, 20 per cent.

The Mathieson Alkali Works (Inc.)—Poor's 1931 (1362):

None declared.

[fol. 4526] The Nash Motors Company—Poor's 1931 (1157, 1158):

Depreciation Policy.—Company's policy as to depreciation has been to maintain all buildings and equipment in

first-class condition and repair by expenditures which have been charged to operating expense. In addition Company has provided reserves for depreciation and obsolescence which on Nov. 30, 1927, amounted to $7,460,602 as compared with total values of plant and equipment of $15,900,601. Annual rates for depreciation applied to the more important items are as follows: Buildings, 3%; machinery, 10%; equipment, 10% to 20%; conveyors, 20%; furniture and fixtures, 10%.

Purity Bakeries Corporation—Poor's 1931 (1203, 1205):

Depreciation.—Rates used by various subsidiary companies up to the time of their acquisition by Purity Bakeries Corporation are the rates approved by U. S. Treasury Department for Income Tax purposes. Thereafter the rates used are those adopted and recommended by an independent appraisal company and are computed on the reproductive values of the properties. These rates are approximately as follows: Buildings, 1¾% to 5%; ovens, 6% to 10%; machinery and equipment, 6⅛% to 10%; automobiles 20 to 30%.

St. Regis Paper Company (not listed in Standard Statistics Bulletin)—Poor's 1931 (706):

None declared.

A. G. Spalding & Bros. (not listed in Standard Statistics Bulletin)—Poor's 1931 (1118, 1119):

Depreciation Policy.—Company follows a liberal policy with respect to depreciation and seeks to make its charges accord so far as possible with past experience, erring on the side of greater rather than lesser depreciation charges. The rate upon the buildings is 3%; furniture and fixtures, 10%; machinery and equipment, 10%; patterns, dies and jigs, 20%, and delivery equipment, 20% to 25%.

Stewart-Warner Corporation—Poor's 1931 (1302, 1303):

Depreciation Policy.—Corporation provides ample reserve for depreciation of buildings, equipment, etc., in accordance with approved accounting practice.

The Timken Roller Bearing Company—Poor's 1931 (2373, 2374):

Depreciation Policy.—Company's depreciation policy has been to keep its buildings and equipment up-to-date and in good condition by expenditures which have been charged to operating expenses and also to charge renewals and replacements to operating expenses. In addition Company has provided reserve for depreciation through Dec. 31, 1928, in the sum of $6,550,975.

The Torrington Company of Connecticut (not listed in Standard Statistics Bulletin)—Poor's 1931. See (1032, 1033):

[fol. 4527] Union Carbide and Carbon Corporation—Poor's 1931 (1694, 1696):

Depreciation Policy.—The policy of the Corporation is to keep manufacturing properties in a state of first class operating efficiency from earnings, and in addition to provide a reserve for depreciation sufficient to extinguish the book value over the estimated life of the property, the additions to such reserve being made annually.

United Stafes Gypsum Company—Poor's 1931 (1847, 1848):

Depreciation Policy.—Depreciation at an average rate of 4% annually has been taken against all buildings and equipment since the organizetion of the Company. This is a composite rate and has received the approval of the United States Bureau of Internal Revenue. Experience has proven these deductions to be ample.

U. S. Industrial Alcohol Company—Poor's 1931 (2805, 2806):

Depreciation Policy.—The Company makes adequate provision for depreciation of plant and equipment. Rates vary from 2½% to 36% per annum depending upon character, use and age of the equipment.

Ward Baking Corporation—Poor's 1931 (1284):

None declared.

Warren Brothers Company—Poor's 1931 (2404, 2406):

Depreciation Policy.—It is the policy of the Company and its subsidiaries to set aside a reserve for depreciation of buildings and equipment, based on their estimated life, such reserves being, in all cases, as large as is permitted under the practice of United States Internal Revenue Department, Income Tax Division.

Westinghouse Electric & Manufacturing Company—Poor's 1931 (1704, 1705):

Depreciation Policy.—On account of the varied construction of its buildings and life of its machine tools and equipment different rates of percentages for depreciation are used by the Company, the minimum annual rates for the main items being 2% on fireproof buildings, 8⅓% on other buildings, and from 5% to 7½% on machinery and tools.

Research.—Investment in wholly owned companies includes capital advanced to, as well as the securities of, Westinghouse Electric Supply Co., operating a chain of distributing houses in the United States, and the branch companies representing the Westinghouse Electric International Company in certain foreign countries. The Westinghouse X-Ray Company, Inc., was organized in 1930 to supply equipment and appliances for therapeutic use. There have been acquired a majority interest in the capital stock of the Wappler Electric Co., Inc., of Long Island City, N. Y., manufacturers of X-Ray apparatus; and the assets of the American X-Ray Company of Chicago. The Westinghouse X-Ray Company, Inc., will continue the manufacture of standard equipment produced by the companies, acquired and will market new divices in this field as developed, including X-Ray tubes developed and manufactured by Westinghouse Lamp Co. for medical and industrial application. Carried also in this investment account are the Interborough Improvement Co., operating Company's plan for home ownership by employees, the interworks railway companies at East Pittsburgh, and other miscellaneous companies.

[fol. 4528] Interest in Radio Corp. of America.—In August, 1921, Radio Corp. of America (see General Index) entered into an agreement with the International Radio Telegraph Co. and the Westinghouse Electric & Mfg. Co.

by which the Radio Corp. of America acquired the radio inventions of the International Company and those of the Westinghouse Company. The Westinghouse Electric & Mfg. Co. purchased a substantial minority stock interest in the Radio Corp. of America. As of December 31, 1930, Westinghouse Electric & Manufacturing Company owned 50,000 shares of the "A" Preferred stock and 2,842,950 shares of no par value Common stock of Radio Corporation of America. Of these holdings of Common stock, Company received 2,632,150 shares as a result of certain reorganizations, effective as of Jan. 1, 1930, through which Radio Corporation of America acquired certain manufacturing rights for radio sets and tubes and related fields together with certain other assets formerly owned by Company, including its holdings of stock in General Motors Radio Corp., National Broadcasting Co., and RCA Photophone, Inc. In a suit filed by the Federal Government pending against Radio Corporation of America, Westinghouse Electric & Manufacturing Co. and others, the Government has questioned the relations of this Company with Radio Corp. of America, and other associated companies in the Radio field, including its right to hold the stock of Radio Corp. of America.

The Willys-Overland Company—Poor's 1931 (1870, 1872):

Depreciation Policy.—The Company's policy as to depreciation is shown by the following schedule of depreciation rates used during the year 1923; Buildings 2½%; machinery, general, special and miscellaneous equipment and furniture and fixtures, 10%; trucks 20%, 30% and 50%.

The Yale & Towne Manufacturing Company—Poor's 1931 (1821, 1822):

Depreciation Policy.—Company makes annual provision for depreciation and obsolescence at the following rates: Yard railway, elevators, power plant, line shafting, furnaces, etc.; machinery, wood buildings, 5%; office furniture and fixtures, 7%; industrial trucks, 16⅔%; fire apparatus, piping and plumbing and eleteric light equipment 3%; shop furniture and fixtures, 10%; patterns, etc., 15%; brick and concrete buildings, 2%.

[fol. 4529] EXHIBIT X-93

Western Electric Company, Inc.

Defendant's Exhibit A-85

Depreciation Rates

Machinery

5%:

Archer-Daniels-Midland Company.
The Glidden Company.
Liquid Carbonic Corporation.
Congress Cigar Company, Inc.
Liggett & Myers Tobacco Company.
Yale & Towne Manufacturing Company.

6%:

Endicott-Johnson Corporation.
International Silver Company.

8⅓%:

The Diamond Match Company,
National Cash Register Company.

5% to 7½%:

Westinghouse Electric & Manufacturing Company.

In conformity with rates approved by the Internal Revenue Department:

A. O. Smith Corporation.
R. J. Reynolds Tobacco Company.
The International Cement Corporation.
United States Gypsum Company.
Warren Brothers Company.

Depletion Basis:

American Cyanamid Company.
American Agricultural Chemical Company.
The International Cement Corporation.

Miscellaneous:

The National Supply Company of Delaware—3% to 10% depending upon the character of the property.

Chrysler Corporation.—Tools and dies—amortized over car production.

E. I. DuPont de Nemours & Company—no depreciation on magazines and warehouses located on Company's own property as experience has proven that appreciation on real estate offsets depreciation on buildings.

[fol. 4530] Western Electric Company, Inc.

Defendant's Exhibit A-85

Depreciation Rates

Furniture and Fixtures:

10%:

Hupp Motor Car Corporation.
Eureka Vacuum Cleaner Company.
Simmons Company.
Endicott-Johnson Corporation.
American Chain Company, Inc.
American Safety Razor Corporation.
Liquid Carbonic Corporation.
Burroughs Adding Machine Company.
Congress Cigar Company, Inc.
General Motors Corporation.
Holland Furnace Company.
Nash Motors Company.
A. G. Spaulding & Bros.
Willys-Overland Company.
Yale & Towne Manufacturing Company.

Less than 10%:

The Studebaker Corporation—4% to 6%.
International Silver Company—6%.
National Cash Register Company—8⅓%.
Liggett & Myers Tobacco Company—5%.
Caterpillar Tractor Co.—8% to 10%.

Other:

Simmons Company—12½%.
General Cigar Co., Inc.—12%.
Chrysler Corporation—12½%.
Mack Trucks, Inc.—15%.
American Chain Company, Inc.—12½%.
International Business Machines Corporation—15% to 20%.

Small Tools:

The Studebaker Corporation—4% to 7%.
Remington Arms Company, Inc.—6⅔% to 10%.
International Business Machines Corporation—15% to 20%.
National Cash Register Company—10%.
Caterpillar Tractor Co.—6% to 20%.
Holland Furnace Company—20%.
Mack Trucks, Inc.—20%.
A. G. Spaulding & Bros.—20%.
Westinghouse Electric & Manufacturing Company—5% to 7½%.
American Chain Company, Inc.—15%.
Burroughs Adding Machine Company—25%.

[fol. 4531]

EXHIBIT X-94

Western Electric Company, Inc.

Adjustments to Surplus Accounts Omitted in Computation of Average Annual Earnings of Various Companies, Included in Defendant's Exhibit A-85

(Debit Adjustments are Shown in Black; Credit Adjustments in Red)

Number	Company and Explanation of Adjustments	1925	1926	1927	1928	1929	1930
1	Air Reduction, Inc.:						
	Adjustments to surplus (no details given) (S yellow A 31-4)	$573,127	1,360*	679,373	.....	.....	.....
3	American Agricultural Chemical Co.:						
	Reduction in book value of capital assets as of July 1, 1924 (S yellow A 21-5)	501,176	.....	.....	.....	.....	.....
	Reserve for gen. plant and props. (S yellow A 21-5)	.....	.....	.....	.....	.....	10,297,293
	Reserve for phosphate rock deposits (S yellow A 21-5)	.....	.....	.....	.....	.....	11,325,701
	Reserve for accounts and notes receivable (S yellow A 21-5)	.....	.....	.....	.....	.....	2,105,047
	Reserve for contingencies (S yellow A 21-5)	.....	.....	.....	.....	.....	1,500,000
11	American Steel Foundries:						
	Loss from sale of investments and property (S yellow A 27-5)	.....	.....	.....	642,500	448,320	158,788
13	Atlas Powder Co.:						
	Appropriation for reserve for contingencies (S yellow A 59-5)	.....	.....	.....	2,500,000	.....	.....
15	Brown Shoe Company:						
	Adjustments to surplus (no details given) (S yellow B 11-5)	142,613*	112,405*	51,833*	149,385*	268,911*	98,500*
16	Burroughs Adding Machine Co.:						
	Contingencies reserve adjustment (S yellow B 19-5)	.....	.....	.....	.....	812,375*	.....
	Patents written off (S yellow B 19-5)	.....	.....	.....	.....	3,099,212	.....
18	Caterpillar Tractor:						
	Abandonment and sale of Stockton plant, etc. (Poor's 1263)	.....	.....	.....	.....	.....	1,584,719
19	Chrysler Corporation:						
	Miscellaneous net debit adjustment applicable to prior periods (S yellow C 61-5)	.....	121,925	.....	.....	.....	.....
21	Congoleum-Nairn, Inc.:						
	Miscellaneous adjustments (no details given) (S yellow C 49-4)	136,122	83,204	.....	.....	.....	.....

23	Consolidated Cigar Corporation:						
	Miscellaneous debits (no details given) (S yellow C 53–7)	86,611	165,574	282,4[illegible]	228,885	214,116	143,092
24	Continental Baking Corporation:						
	Tax adjustments (S yellow C 63–5)			9,385	28,482	21,747	10,388*
	Uncollectible accounts receivable of prior years written off (S yellow C 63–5)			152,672			
	Deferred advtg. at beginning of year written off (S yellow C 63–5)			313,964			

[fol. 4532]

25	Continental Can Co., Inc.:						
	Miscellaneous debits (no details given) (S yellow C 133–4)			37,618	303,268	220,849	51,807
	Patents written off (S yellow C 133–4)				15,537		
	Patents and goodwill written off (S yellow C 133–4)	67,833	31,893	100,992			
26	Continental Motors Corporation:						
	Adjustment of special tools, dies and patterns (S yellow C 155–5)						2,209,792
	Provision for obsol. and losses in investments (S yellow C 155–5)						971,392
	Reduction in value of used tools (S yellow C 155–5)						200,000
	Write-off of devel. costs (S yellow C 155–5)						385,060
	Elimination of sundry deferred charges (S yellow C 155–5)						183,450
	Increased reserve for bad debts (S yellow C 155–5)						273,637
	Provision for loss on obsolete machinery and equipment (S yellow C 155–5)						93,897
	Provision for contingencies (S yellow C 155–5)						165,000
	Adjustment of investments, leases and miscellaneous items (S yellow C 155–5)						101,742
	Provision for additional federal taxes payable for prior years (S yellow C 155–5)					1,092	
	Further adjustment in val. of investments in other companies (S yellow C 155–6)						53,312
	Federal tax refunds (S yellow C 155–6)		39,967*		3,819*		
29	Diamond Match Co.:						
	Miscellaneous credits (no details given) (S yellow D 45–6)					439,473*	11,625,489*

* Red figures.

EXHIBIT X-94—Continued

Western Electric Company, Inc.

Adjustments to Surplus Accounts Omitted in Computation of Average Annual Earnings of Various Companies, Included in Defendant's Exhibit A-85

(Debit Adjustments are Shown in Black; Credit Adjustments in Red)

Number	Company and Explanation of Adjustments	1925	1926	1927	1928	1929	1930
30	Dupont de Nemours:						
	Surplus from refunds and tax adjustments for prior years (S yellow D 21-8)	.....	2,681,294*	.....	.....	.....	.....
	Appropriation for pension reserve (S yellow D 21-8)	.....	4,880,729	.....	.....	3,807,968	.....
	Miscellaneous adjustment applicable to prior years and appropriation for contingencies (S yellow D 21-8)	.....	.....	2,528,944	.....	.....	.....
31	Electric Storage Battery:						
	Federal taxes for previous year (S yellow E 5-5)	851,007	1,086,596	848,410	772,785	.....	.....
	Loss on sale of plant and equipment of New Haven Carriage Co. (S yellow E 5-5)	73,314	.....	.....	.....	.....	.....
	Adjustment of patents accounts to the approximate valuation allowed by the U. S. Treasury Department for the purpose of federal taxation (S yellow E 5-5)	4,999,999	.....	.....	.....	.....	.....
32	Endicott-Johnson Corporation:						
	Reduction of workmen's compensation reserve to cons. requir. (S yellow E 27-5)	.....	.....	.....	.....	.....	108,661*
	Adjustment of taxes for previous year (S yellow E 27-5)	232,708	.....	.....	582,468*	32,340*	120,496
	Additional depreciation (S yellow E 27-5)	.....	.....	.....	.....	.....	705,750
	Conting. reserve including market decline of hide commitments (S yellows E 27-5)	.....	.....	.....	.....	.....	399,381
37	General Electric Co.:						
	Reserve for Contract Purchase Corp. investments restored to surplus (S yellow G 1-6)	.....	.....	.....	5,043,613*	.....	.....
	Reserve for federal tax restored to surplus (S yellow G 1-6)	.....	.....	.....	4,220,928*	.....	.....

39	General Railway Signal Co.:						
	Adjustment of reserve for contingencies (S yellow G 23–4)	$215,000*	138,684	60,000*			
	Adjustments applicable to prior periods, net (S yellow G 23–4)	56,877	93,712	14,764*	49,377*	86,025	836*
	Reserve for obsolescence (S yellow G 23–4)	120,000	120,000				
	Loss on sale of Albany property (S yellow G 23–4)			244,610			
	Adj. to reserve for depreciation and amortization to conform to federal tax requirements (S yellow G 23–4)			441,054			
	Adj. of plant and equipment to a cost basis (S yellow G 23–4)			554,440			
40	Glidden Company:						
	Inventory adjustment (S yellow G 29–7)		109,518				
	Trans. to contingencies reserve (S yellow G 29–7)		500,000				
	Miscellaneous debit adjustment (no details given) S yellow G 29–7)	13,249	11,735	1,294			
	Reappraisal of Oakland, Cal. plant (S yellow G 29–7)		193,061*				
	Appreciation of plants acquired (S yellow G 29–7)					76,625*	
	Miscellaneous credit divs. etc. (S yellow G 29–7)	9,287*					
41	Goodrich Co.:						
	Sundry adjustments not chargeable to current year's operations (S yellow G 25–6)				761,914	51,981	
	Sundry adjustments pertaining to prior years, including additional federal income tax applicable to 1925 and 1924 (S yellow G 25–6)			560,886			
	Income and war excess profits taxes paid during year, applicable to prior years (S yellow G 25–6)		1,762,505				
	Federal tax paid applicable to 1924 (S yellow G 25–6)	685,691					
42	Goodyear Tire and Rubber Co.:						
	Other adjustments (no details given) (S yellow G 39–5)						315,000
	Depreciation adjustment for prior years (S yellow G 39–5)					497,125	
	Goodwill and patents charged off (S yellow G 39–5)				10,209,274		
	Unused balance of tax reserve created prior to 1921 (S yellow G 39–5)				1,518,522*		

* Red figures.

EXHIBIT X-94—Continued

Western Electric Company, Inc.

Adjustments to Surplus Accounts Omitted in Computation of Average Annual Earnings of Various Companies, Included in Defendant's Exhibit A-85

(Debit Adjustments are Shown in Black; Credit Adjustments in Red)

Number	Company and Explanation of Adjustments	1925	1926	1927	1928	1929	1930
44	Hudson Motor Car Co.:						
	Contingencies reserve (S yellow H 1-2)	230,000		150,000	150,000	300,000	
	Adj. of federal taxes for prior years		108,071				
47	International Business Machine Corp.:						
	Amortization of patents (S yellow I 43-5)						71,237
	Accumulated royalties of prior periods received during 1926		425,530*				
	Reserve for contingencies		400,000				

[fol. 4534]

48	International Cement Corp.:						
	Income taxes of prior years and sundry adjustments (S yellow I 33-4)	9,123	69,398				
	Miscellaneous adjustments affecting prior periods (S yellow I 33-4)			92,827*			
	Increase in adj. for exchange of net current assets in South America (S yellow I 33-4)	82,154*	9,876		1,784	69,108	
	Equipment dismantled principally in connection with reconstruction of Indiana plant, less depreciation accrued thereon (S yellow I 33-5)					683,086	
50	International Shoe Co.:						
	Adjustment of physical property values (S yellow I 29-5)	12,480,944*					
53	Liquid Carbonic:						
	Managers' and employees' profit sharing (Poor's 989)	*131,050	170,000	105,232	185,000	140,000	125,000
	Reserve against receivables and collections (Poor's 989)						100,000

54	P. Lorillard Co.:						
	Rejected portion of claims for federal tax refunds for prior years carried in accounts rec. plus exp. incidental thereto (S yellow L 31–5)				1,604,076		
55	Mack Trucks, Inc.:						
	Additional reserve for contingencies (S yellow M 11–5)						1,000,000
	Adj. applicable to prior years (S yellow M 11–5)		114,783*				
57	Mathieson Alkali Works, Inc.:						
	Sundry adjustments (no details given) (S yellow M 21–4)	47,724	29,328	11,248	5,410	56,640	108,953
	Litigation exp. of coal suits (S yellow M 21–4)			79,237			
	Process development expense of prior years (S yellow M 21–4)			56,864			
	Reserve for obsolescence (S yellow M 21–4)	500,000					
	Acct. accident Saltville Settling Basin, December 24, 1924 (S yellow M 21–4)	25,000					
58	Motor Wheel Corp.:						
	Patent expense, prior year (S yellow M 37–5)						186,500
	Provision for contingencies (S yellow M 37–5)				75,000		
	Unused portion of federal income tax reserve (S yellow M 37–5)			9,319*			
	Additional depreciation on dies allowed by U. S. Bureau of Internal Revenue for years 1920 to 1923, inclusive (S yellow M 37–5)		66,949				
60	National Cash Register Co.:						
	Patents, goodwill, etc., written off (S yellow N 13–5)				1,683,334	4,081,268	39,889
	Reserve for contingencies not req. transferred to surplus (S yellow N 13–5)				683,334*		
	Organiz. expense written off (S yellow N 13–5)		247,911				

[fol. 4535]

66	Radio Corp. of America:						
	Additional reserve against foreign investments (S yellow R 17–8)*				1,400,909		
	Patent account written down (S yellow R 17–8)			1,000,000	4,789,924		
	Reserve for plant and equipment (S yellow R 17–8)			4,500,000			
	Sundry mach. tools and furniture written down to $1 (S yellow R 17–8)			799,310			

* Red figures.

EXHIBIT X-94—Continued

Western Electric Company, Inc.

Adjustments to Surplus Accounts Omitted in Computation of Average Annual Earnings of Various Companies, Included in Defendant's Exhibit A-85

(Debit Adjustments are Shown in Black; Credit Adjustments in Red)

Number	Company and Explanation of Adjustments	1925	1926	1927	1928	1929	1930
68	Reo Motor Car Co.:						
	Sundry debits (no details given) (1930 S White R 12-3; other years S yellow R 11-4)					3,080	38
	Reserve no longer required, federal taxes (1930 S White R 12-3; other years S yellow R 11-4)					276,800*	10,342*
	Reserve no longer required, contingencies (S yellow R 11-4)			195,556*	102,845*		
	Sundry credits (no details given) (S yellow R 11-4)			90,570*	4,243*	2,643*	
	Refund federal taxes, prior years (1930 S White R 12-3; other years S yellow R 11-4)					115,675*	40,812*
69	R. J. Reynolds Tobacco Co.:						
	Sundry items applicable to prior periods (S yellow R 23-5)			8,744,739*			
71	Simmons Company:						
	Adjustment account prior years (S yellow S 17-5)	66,172	192,194	636,112	482,235	276,815	
	Advertising and development expenses (S yellow S 17-5)						1,099,857
	Inventory write down (S yellow S 17-5)						1,430,317
	Depreciation on appreciation (S yellow S 17-5)						1,434,030
	Reallocation of exps. and write-down of miscellaneous advances and investments (S yellow S 17-5)						169,855
	Adj. resulting from revaluation of fixed assets at December 31, 1930, obsol. and allowance for loss of long-time note receivable (S yellow S 17-5)						556,451
75	Stewart-Warner Corp.:						
	Adjustment in respect of prior years, corporation income tax, tax, patents, development expense written off (S yellow S 21-4)		756,739	1,476,627			

	Appreciation arising from appraisal on properties and plant (S yellow S 21–4)				215,685*		
	Miscellaneous credit adjustments (no details given) (S yellow S 21–5)						157,369*
76	The Studebaker Corp.:						
	Appr. to further reduce book value of Detroit plants not in use (S yellow S 39–6)						2,918,323
	Losses and expenses incidental to centralizing factory operations at South Bend (S yellow S 39–6)				5,949,998		
	Reserve for contingencies (S yellow S 39–6)	3,000,000					
[fol. 4536]							
78	Timken Roller Bearing Co.:						
	Prior year's taxes, etc. (S yellow T 9–5)		25,014	19,452*		4,321*	32,857*
	Net additions to surplus to reflect amortization and depreciation all on plant property for prior years as determined by U. S. Treasury Department, adjust. of prior years tax expense, etc. (S yellow T 9–5)				410,543*		
80	Union Carbide & Carbon Co.:						
	Net adjustment (no explanation given) (S yellow U 5–4)	217,237*	5,162*	140,163*	294,057	4,515,122	
	Unamortized book value of patents, etc. (S yellow U 5–4)	29,423,509					
82	U. S. Industrial Alcohol Co.:						
	Miscellaneous adjustment (no details given) (S White U 40–2)						244,858
	Additional depreciation, etc., applicable to tax returns for prior years (S yellow U 39–4)		717,157	2,464,663		1,262,816	
	Other adjustments net credit (no details given) (S yellow U 39–4)			32,000*	397,439*	20,865*	
	Claims paid for Boston tank accident, occuring in 1919 (S yellow U 39–4)	628,329					

* Red figures.

EXHIBIT X-94—Continued

		Year to March 31, 1926	Year to March 31, 1927	Year to March 31, 1928	Year to December 31, 1928
85	Westinghouse Electric & Mfg. Co.:				
	Miscellaneous debits (no explanation given) (S yellow W 13–5)	$214,183	642,118	.....	83,634
	Balance of reserve previously appropriated for federal tax not required (S yellow W 13–5)	.....	.....	3,000,000*	1,000,000*
	Approp. for conting. res. for further possible shrinkage in investments (S yellow W 13–5)	.....	.....	1,770,976	.....
	Patents, charters, franchises, etc., written down to nominal value (S yellow W 13–5)	.....	.....	4,621,784	.....
	Additional reserve for federal taxes, 1917–1921 (S yellow W 13–5)	4,000,000	.....	.....	.....
	Miscellaneous credits (no explanation given) (S yellow W 13–5)	82,765*	.....	.....	.....
		1925	1926	1927	1928
86	White Motor Co.:				
	Contingencies reserve (S yellow W 49–3)	.....	.....	.....	500,000
87	Willys-Overland, Inc.:				
	Additional depreciation on buildings dismantled applicable to prior years (S yellow W 43–6)	327,798	125,791	.....	.....
	Adjustment of reserves	.....	130,214*	.....	.....

* Red figures.

[fol. 4537] Western Electric Company, Inc.

Surplus Adjustments of 88 Companies, Year 1931

		Debits *Credits
4.	American Chain Co.:	
	Miscellaneous adjustment to earned surplus	$22,718.98
5.	American Cyanamid Co.:	
	Changes applicable to prior periods (net)	392,138.45
8.	American Radiator & Standard Sanitary Corp.:	
	Adjustment of Foreign Exchange valuations	623,242.47
9.	American Safety Razor Corp.:	
	Reserve to reduce marketable securities to lower of cost or market at December 31, 1931	499,006.21
	Loss on Foreign Exchange at September 30, 1931	65,152.90
	Loss on sale of Corporation's own shares	41,241.99
	Adjustment of Federal, State and British taxes, etc.	9,826.06
11.	American Steel Foundries:	
	Loss from property sold and plant dismantled	146,197.82
13.	Atlas Powder Company:	
	Appropriated to Reserve for Obsolescence of Plants	1,900,000.00
16.	Burroughs Adding Machine Company:	
	Reserve for decrease in value of foreign accounts due to fluctuation in foreign exchange	237,429.76
	Additional reserve for notes and accounts receivable	297,327.32
	Reserve for decrease in market value of Government securities	336,100.02
	Credit adjustment applicable to prior years	107,507.58*
20.	Columbian Carbon Company:	
	Credits applicable to prior years (net)	66,264.45*
	Leases surrendered	57,594.33
	Sterling exchange adjustment	5,317.96
22.	Congress Cigar Company, Inc.:	
	Write-down of leaf tobacco inventory at December 31, 1931	917,687.73
	Other adjustments	56,941.22
23.	Consolidated Cigar Corp.:	
	Non-operating charges and prior period adjustments	18,265.74
24.	Continental Baking Corp.:	
	Adjustment of provision for prior years' federal taxes	208,040.58*
	Adjustment of amortization of cost of patents applicable to prior years	185,000.00
	Reserve for revaluation of capital assets of subsidiary companies	200,000.00
	Provision for reducing investment in Corporation's Class "A" Common stock from cost to market value at December 26, 1931	496,633.44

[fol. 4538]

25.	Continental Can Company, Inc.:	
	Reserve to write down book value of mortgages, securities, etc.	350,000.00
	Appropriation for unemployment relief	50,000.00
28.	Dennison Manufacturing Co.:	
	Unemployment relief and separation allowances paid to employees	75,745.09
	Write-down of foreign balances due to governmental abandonments of gold standard	167,608.00

* Red figures.

Surplus Adjustments of 88 Companies, Year 1931

	Debits *Credits
29. Diamond Match Company:	
Miscellaneous surplus adjustments	148,154.36*
30. E. I. du Pont de Nemours & Company:	
Appropriation to adjust book value of patents to nominal amount	5,354,104.61
Adjustment resulting from revaluation of Investment in General Motors Corp.	8,484,037.00
31. Electric Storage Battery Co.:	
Sundry adjustments of income, expenses, etc., applicable to the period prior to January 1, 1931 net	300,594.17
Employees' Pension Fund	100,000.00
32. Endicott-Johnson Corporation:	
Provision for adjustment of federal income taxes of prior years	77,959.77
33. Eureka Vacuum Cleaner Company:	
Provision of allowance to reduce carrying value of marketable securities to indicated market value at December 31, 1931	47,539.29
Provision for anticipated additional expenses in collection of installment accounts, and other expenses in closing branches	225,000.00
Provision for possible loss in disposition of branch furniture and fixtures	117,128.95
39. General Railway Signal Company:	
Appropriation to Reserve for Shrinkage in Value of Marketable Securities	1,625,000.00
Adjustment of fixed assets and depreciation reserves applicable to prior years	364,222.13
Other charges applicable to prior years	12,048.23
40. The Glidden Company:	
Provision to reduce net assets, exclusive of permanent accounts, located in Canada to prevailing rate of exchange at October 31, 1931	53,989.57
[fol. 4539]	
41. The B. F. Goodrich Company:	
Sundry adjustments (net) not relating to operations of the current year	289,581.06*
42. The Goodyear Tire & Rubber Company:	
Provision for fluctuation in foreign exchange	3,414,039.54
Write-down of Government securities to market	711,384.29
44. Hudson Motor Car Company:	
Reserve for shrinkage foreign subsidiaries	2,000,000.00
Reserve for special tools	2,000,000.00
Special advertising	1,400,000.00
Rearrangement of plant equipment	632,706.94
46. Ingersoll-Rand Company:	
Adjustment of inventories of certain foreign subsidiary companies in respect to delivery costs previously charged to expense	139,822.16*
Abnormal loss arising from revaluation at current rates of exchange of investment in controlled manufacturing and wholly owned subsidiary companies	466,079.50
Provision for reduction of book value of securities to lower of cost or market, excepting 1932 maturities carried at par	306,614.80
Adjustment of property and reserve accounts in respect of amortization	49,940.50

* Red figures.

Surplus Adjustments of 88 Companies, Year 1931

	Debits *Credits
48. International Cement Corporation:	
Provision for decline in exchange on net current assets in South America and other exchange adjustments	861,886.71
Equipment dismantled, less accrued depreciation	181,644.08
Income taxes and other charges affecting prior years	86,400.11
49. International Harvester Company:	
Reserves from prior years' earnings for decline in market value, etc., released to income	11,000,000.00*
53. The Liquid Carbonic Corporation:	
Adjustment of investment in solid carbonic industry	246,111.77
57. The Mathieson Alkali Works, Inc.:	
Adjustments	59,292.40
58. Motor Wheel Corporation:	
Special provision made against the carrying value of securities as protection against shrinkage in the event of sale	178,169.77
Reserves provided in full against carrying value of patents, royalties, goodwill, etc.	827,779.03
Loss on sale of Jackson, Tennessee plant	57,426.41
[fol. 4540]	
59. Nash Motors Company:	
Federal and State income tax reserves of prior years returned to surplus	809,857.00*
Other non-operating credits	162,500.00*
To reduce U. S. Government securities and Treasury stock to basis of cost or market, whichever the lower	671,704.83
To write down Milwaukee machinery and equipment accounts	254,050.75
60. The National Cash Register Company:	
Abnormal losses arising from revaluation of foreign investments at current rates of exchange	551,773.68
Provision for losses on liquidation of inventories of obsolete models	523,642.50
Provision for obligations arising out of contracts with former employees	492,465.66
Leaseholds, improvements, etc., written off	202,226.30
Provision for loss on claims against closed banks	100,0000.00
62. The National Supply Company of Delaware:	
Sundry adjustments, etc.	6,812.24*
Additional reserve for bad debts	562,796.38
63. Parke, Davis & Company:	
Transfer to Employees' Pension Fund	115,000.00
66. Radio Corporation of America:	
Write-down of inventories	10,359,000.00
Write-down of investments	1,391,300.00
67. Remington Arms Company, Inc.:	
Adjustments affecting prior years' operations	56,608.87
71. Simmons Company:	
Write-off of entire investment in and uncollected portion of receivables from Berkely and Gay Furniture Company, less operating losses absorbed in prior years	789,544.52
Allowances for possible losses on miscellaneous notes and accounts receivable and investments	436,350.23
Write-down of inactive machinery and equipment of subsidiary	300,000.00
Miscellaneous adjustments applicable to prior years	22,620.81

Surplus Adjustments of 88 Companies, Year 1931

[fol. 4541]

	Debits *Credits
74. Spicer Manufacturing Corporation:	
Payments in settlement of patent rights	125,000.00
75. Stewart-Warner Corporation:	
Unamortized appreciation arising from appraisal of properties and plant in 1928, now charged off in full	3,528,947.07
Patents and licenses expenditures and experimental and development expenditures on new lines	540,662.28
Provision in respect of Canadian currency depreciation	70,562.85
Additional assessment of taxes for prior years and other items	85,597.17
76. The Studebaker Corporation:	
Adjustment of Studebaker investment in Pierce-Arrow stocks to present book value resulting from revaluation of certain assets of old Pierce Company taken over by new Company for liquidation, and from payment of Pierce dividends, less discount on Pierce stock held in treasury	499,034.24
77. The Timken-Detroit Axle Company:	
Reserve provided to reduce marketable securities to approximate market value	14,467.51
78. The Timken Roller Bearing Company:	
Additional federal income taxes and interest for prior years, less excess provision for 1930 federal and Canadian income taxes	19,170.70
79. The Torrington Company:	
Tax refunds	134,273.66*
80. Union Carbide and Carbon Corporation:	
Adjustment of fixed asset values	39,794,031.11
Adjustment of power contracts	1,602,621.38
Adjustment of marketable securities to market, December 31, 1931	3,507,199.64
Adjustment of net current assets of foreign companies and revaluation of inventories carried in United States dollars, but located in Canada and other foreign countries on account of decline in exchange	3,455,838.35
Miscellaneous items not affecting 1931 operations	1,188,328.67

[fol. 4542]

83. Ward Baking Corporation:	
Settlements and expenses on claims and taxes applicable to prior years and all expenses arising from special meeting of Stockholders January 26, 1931, and preparation therefor	172,146.13
85. Westinghouse Electric and Manufacturing Company:	
Revaluation of investments in companies not previously consolidated and other miscellaneous items	3,617,373.99
Provision for decline in value of securities	2,054,005.45
87. The Willys-Overland Company:	
Provision for plant, equipment and tool write-off	6,125,488.81
Provision for inventory write-down, commitments, contingencies, etc.	2,688,724.49
Investments in and advances to foreign and domestic affiliated companies written off	2,098,250.79
Extraordinary advertising	864,743.76

* Red figures.

Surplus Adjustments of 88 Companies, Year 1931

	Debits *Credits
Provision for miscellaneous notes, accounts, advances, etc.	356,776.27
88. The Yale and Towne Manufacturing Company:	
Reinstatement of reserve for contingencies	1,000,000.00*
Adjustment of merchandise inventories during year due to declines in reproductive costs	515,603.00
Obsolete manufactured product written off during year due to changes in trade conditions	344,738.00
Adjustment in value of net current assets in foreign countries in conformity with the rates of exchange prevailing at December 31, 1931	195,474.00
Adjustment of investments to market values at December 31, 1931	394,176.00

[fol. 4543] EXHIBIT X-95

Western Electric Company

Comparison of per Cent of Return on Investment and per Cent of Net Profit to Sales of Companies Shown on Defendant's Exhibits A185-86-87

Company	Years 1925-1930 Percentage of average earnings to average investment	Percentage of net profits to sales for six year period
Air Reduction	12.0	21.5
American Ice	9.2	15.4
Atlas Powder	7.5	8.8
Brown Shoe	8.4	5.0
Caterpillar Tractor	22.1	21.8
Chrysler	15.5	7.5
Columbian Carbon	9.4	26.7
Congress Cigar	24.3	14.9
(A) Electric Storage Battery	12.8	11.7
Endicott-Johnson	7.1	5.6
Eureka Vacuum Cleaner	18.4	10.9
Fairbanks-Morse	6.0	7.8
General Electric	10.0	10.7
General Motors	24.4	16.9
Glidden	9.9	7.5
Goodrich	6.2	4.8
Goodyear	8.5	6.9
Holland Furnace	13.9	11.1
Hupp Motor	10.9	5.0
International Cement	9.4	19.2
International Shoe	15.1	12.2
International Silver	5.4	5.8
(A) Liquid Carbonic	9.7	12.2
Mack Truck	9.0	11.1
National Cash Register	12.2	13.8
National Supply	8.7	33.2
Procter and Gamble	16.3	9.5

* Red figures.

(A) 1926-1930 only.

	Company	Years 1925-1930	
		Percentage of average earnings to average investment	Percentage of net profits to sales for six year period
(B)	Purity Bakeries	18.4	10.9
	Remington Arms	4.6	7.3
	Reo Motors	8.8	4.3
	Simmons	7.2	8.6
	Spalding, A. G.	8.2	6.0
	St. Regis Paper	5.6	16.8
	Studebaker	9.9	7.8
(C)	U. S. Industrial Alcohol	5.3	3.6
	Warren Brothers	12.4	5.8
	Westinghouse Electric	7.4	8.2
(B)	White Motor	3.6	2.8

(B) 1925-1929 only.
(C) 1925-1928 only.

Per Defendant's Exhibits:

Average of above companies	...	11.6
Average of above companies and other companies for which Gregory does not schedule sales	12.2	...

[fol. 4544]

EXHIBIT X-96

Western Electric Company, Inc.

Ratio of Sales to Average Investment for Year 1927

(Compiled from Poor's Manual)

Name of Company	Land building, machinery after depreciation	Merchandise	Receivables	Cash	Current Liabilities	Net average investment after depreciation	Per cent Net profits (before interest deductions) to sales
Air Reduction Co., Inc.	1.82	10.11	7.21	4.61	10.11	1.11	17.80
American Ice Company	.62	14.89	12.87	20.39	13.55	.58	15.85
Caterpillar Tractor Co	3.20	3.42	5.77	18.73	13.27	1.32	22.46
Columbian Carbon Company	.83	3.08	8.78	6.26	10.01	.59	23.04
International Cement Corporation	.74	5.51	12.61	28.22	9.81	.64	19.24
National Supply Company	1.43	.64	.71	1.76	2.29	.26	36.28
St. Regis Paper Company	1.45	2.59	8.54	11.23	8.84	.86	15.52
Western Electric Company, Inc. (Poor's Manual)	7.56	4.45	6.37	40.15	6.54	2.59	7.62
Western Electric Company, Inc. (Per Defendant's Exhibits):							
Exhibit A-77—Bell Business	8.02	4.01	6.62	39.91	21.99	1.98	
Exhibit A-79—Non-Bell Business	4.87	3.78	8.97	43.22	29.55	1.75	
Total Exhibits A-77 and A-79	7.77	4.00	6.71	40.06	22.27	1.97	

[fol. 4545]

EXHIBIT X-97

Western Electric Company, Inc.

Results Obtained by Apportioning Combined Plant of Two Companies (Selected from Defendant's Exhibit A-85) on the Basis of the Combined Sales, Year 1930

(Dollars in Thousands)

Company	Plant before depreciation	Net sales	Cost of sales	Combined plant apportioned on basis of cost of sales	Variance as compared with individual plant
Chrysler Corporation	$126,767	207,789	183,138	145,256	18,489
Willys-Overland Co	59,937	55,581	52,360	41,448	18,489*
	$186,704	263,370	235,498	186,704	.....
Glidden Company	$18,182	36,434	29,053	25,480	7,298
National Lead Company	63,224	76,712	63,666	55,926	7,298*
	$81,406	113,146	92,719	81,406	.....
American Radiator and Standard Sanitary Corporation	$129,486	108,094	77,336	155,051	25,565
International Cement Corporation	60,761	27,037	17,607	35,196	25,565*
	$190,247	135,131	94,943	190,247	.....
Chrysler Corporation	$126,767	207,789	183,138	170,463	43,696
International Cement Corporation	60,761	27,037	17,607	17,065	43,696*
	$187,528	234,826	200,745	187,528	.....
American Radiator and Standard Sanitary Corporation	$129,486	108,094	77,336	71,381	58,105*
Procter & Gamble Co	67,700	192,352	136,384	125,805	58,105
	$197,186	300,446	213,720	197,186	.....

*Red figures.

EXHIBIT X-99

American Telephone and Telegraph Company

Investment in Western Electric Company Common Stock (New York Corporation)

Year	Additions		Balance at end of year	Average investment for year	Dividends received	% Return on average investment
	Date	Amount				
1915	11/17	$6,729,710	6,729,710	.....	584,200	.....
1916	.....	.....	6,729,710	6,729,710	1,168,400	17.36
1917	.....	.....	6,729,710	6,729,710	1,168,400	17.36
1918	2/20	162,968	6,892,678	6,869,907	1,467,550	21.36
1919	3/29	10,000	.....	.....	.....	.....
	7/11	200	.....	.....	.....	.....
	10/7	4,019	.....	.....	.....	.....
	10/23	3,026	6,909,923	6,901,870	1,468,000	21.27
1920	3/4	35,396,593	.....	.....	.....	.....
	3/4	2,921,000*	.....	.....	.....	.....
	4/3	1,710	.....	.....	.....	.....
	5/29	380	.....	.....	.....	.....
	6/22	4,100	39,391,706	33,783,796	2,943,095	8.71
1921	3/30	4,500	.....	.....	.....	.....
	11/23	3,120	39,399,326	39,395,442	3,434,908	8.72
1922	6/9	62,530	.....	.....	.....	.....
	12/30	14,763,734	54,225,590	39,474,893	3,437,625	8.71
1923	3/9	9,250	.....	.....	.....	.....
	10/24	2,520	54,237,360	54,233,586	4,914,355	9.06
1924	.....	.....	54,237,360	54,237,360	4,914,460	9.06
1925	3/9	7,740	.....	.....	.....	.....
	3/11	30,420	.....	.....	.....	.....
	10/16	5,250	.....	.....	.....	.....
	12/26	258*	54,280,512	54,269,334	5,531,238	10.19
1926	.....	.....	54,280,512	54,280,512	7,375,210	13.59
1927	.....	.....	54,280,512	54,280,512	7,375,210 47,938,865(A)	13.59 88.32
1928	12/31	9,833,712	64,114,224	54,280,512	11,062,815	20.38
1929	5/31	19,667,478	.....	.....	.....	.....
	12/2	29,501,469	113,283,171	77,989,245	23,109,039	29.63
1930	3/31	29,518,935	142,802,106	135,523,464	22,864,143	16.87

* Red figures.

(A) Special non-recurring dividend

[fol. 4547] EXHIBIT No. X-100

American Telephone and Telegraph Company

Monthly High, Low, and Average Price of Common Stock, 1931

(Per New York Stock Exchange Quotations)

Month	High	Low
January	190¼	176¼
February	201⅛	185¼
March	199⅛	187½
April	190½	176⅛
May	185	162⅜
June	184¼	156½
July	184⅜	169
August	176⅜	164½
September	172⅜	130½
October	142⅞	121⅛
November	147	124½
December	131¼	112⅝

Monthly average—165½.
Dividend paid—$9 per share.
Yield—5.4%.

[fol. 4548]

American Telephone and Telegraph Company

Monthly High, Low, and Average Price of Common Stock

(Per New York Stock Exchange Quotations)

	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920
January:											
High	226-1/4	222	181	155-3/4	144	136-3/8	129-1/2	124	118-1/2	99-7/8	100-3/8
Low	216	193-1/4	178-1/4	149-1/4	142-1/2	123-1/2	125-1/8	122	114-1/2	95-3/4	96-1/8
February:											
High	241-3/8	220-7/8	180-3/8	160-3/8	150-3/4	134-5/8	129-1/8	123-3/8	120	100-1/2	99-7/8
Low	224-1/8	205-3/8	176-1/2	152-5/8	144-1/8	132-5/8	128-1/4	121-3/4	117-1/2	99-1/2	96-1/8
March:											
High	266	224	118-3/8	169	149	136	130-7/8	125-1/2	124-1/2	108-1/2	100-3/4
Low	235-1/2	208	178-5/8	157	141	132	123	121-5/8	119	99-7/8	96-7/8
April:											
High	174-1/4	238-1/2	190-1/4	172-3/8	146-5/8	136-7/8	128-3/4	123-1/8	124-1/8	107-3/4	97-1/4
Low	246	214-1/2	179-3/4	161-1/4	143-1/8	132-7/8	124-1/4	121-1/4	120	105-5/8	93-7/8
May:											
High	251-3/4	232-5/8	211	169-1/4	149-1/2	139-1/2	127	123	133-5/8	108-1/2	94-3/4
Low	224-1/2	205-1/8	187-3/4	162-1/8	141	136	123	121-1/2	121-1/8	104-1/4	92-1/8
June											
High	232-1/2	234-1/4	190-3/4	169-3/8	149-7/8	144-1/4	127-1/4	124-3/4	123-3/8	105-1/8	95-1/4
Low	200-1/8	206-1/2	173-1/4	161-1/2	139-5/8	139-1/2	121-1/8	119-1/8	119-3/4	102-1/2	92-1/2
July:											
High	221-5/8	273	178-1/2	168-1/2	142-3/8	141-1/8	125-1/4	123	122-1/4	105-1/2	95-1/2
Low	203-1/4	228	172	162	140	136-7/8	121-3/8	119-1/2	120-1/8	102-3/4	92-7/8
August:											
High	216	303-1/2	182-1/2	171-3/8	145-3/4	140-3/8	129-3/4	124-5/8	128-1/4	106	97-1/2
Low	202-1/8	266	173-5/8	165-7/8	141-3/8	137-1/2	124-1/4	121-5/8	118	104-7/8	95-1/8

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	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920
September:											
High	219-7/8	310-1/4	183	179-1/2	147-3/4	142-3/8	129	125	127-3/8	108-3/8	100-1/4
Low	202-1/4	280	179	168-7/8	144	138-7/8	126-1/2	121-5/8	120-3/8	105-7/8	97-1/4
October:											
High	208-3/8	305-1/2	188	185-1/2	146-3/4	142-7/8	127-7/8	123-3/4	125-7/8	108-3/8	100-3/8
Low	192-3/4	204	176-3/4	172	144-1/4	139-1/8	125	122-5/8	121	107-5/8	97-1/2
November:											
High	196-7/8	248-1/4	200	180-7/8	149-3/8	142-1/8	129-3/4	125-1/8	125	119-1/2	100-1/4
Low	178-1/2	197-1/4	181-3/4	174-1/8	146-1/2	140-1/2	127-3/4	123	121-1/4	108-1/4	97-3/4
December:											
High	190-5/8	235	195	182-7/8	151	145	134-3/4	128-3/4	125-5/8	117-3/8	99-1/4
Low	170-3/8	209-3/4	185-1/4	177-3/4	148-1/4	141	129-3/8	124-1/2	122-1/8	113-1/8	93-5/8
Total:											
High	2,745-1/2	3,047-3/4	2,262-3/4	2,064-3/4	1,772-3/4	1,681-1/2	1,548-7/8	1,494	1,498-1/2	1,295-3/8	1,181-3/8
Low	2,495-1/2	2,617-3/4	2,142-1/2	1,964-3/8	1,715-3/4	1,630-3/8	1,499	1,460-1/8	1,434-3/4	1,249-3/4	1,141-3/4
Monthly Ave...	218-3/8	236-1/8	183-1/2	167-7/8	145-3/8	138	127	123-1/8	122-1/4	106	96-3/4

(Here follow Exhibits X-104 and X-105, side folios 4549-4572)

EXHIBIT X-104

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)

SCHEDULE 300I OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1921

I.C.C. Classification					
Account number	Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated)
	I. Operating Income				
300	Telephone operating revenues	$58,268,539	$37,033,729	$21,234,810	0
301	Telephone operating expenses	30,404,309	18,049,013	10,804,562	1,550,734
	Net telephone operating revenue	27,864,230	18,984,716	10,430,248	1,550,734
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	27,864,230	18,984,716	10,430,248	1,550,734
304	Uncollectible operating revenues	350,810	350,810	0	0
305	Taxes assignable to operations	4,278,940	2,220,291	2,058,649	0
	Deductions from net operating revenues	4,629,750	2,571,101	2,058,649	0
	Operating Income	23,234,480	16,413,615	8,371,599	1,550,734
	II. Non-Operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	56,344	28,334	0	28,010
312	Dividend revenues	38,580,673	0	0	38,580,673
313	Interest revenues	14,596,676	382,661	12,766,885	1,447,130
314	Sinking and other reserve fund accretions	2,112	0	0	2,112
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	32,052	12,427	840	18,785
	Total non-operating revenues	53,267,857	423,422	12,767,725	40,076,710
320	Rent expense	1,151	0	1,151	0
321	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	1,151	0	1,151	0
322	Non-operating taxes	0	0	0	0
323	Uncollectible non-operating revenues	794,053	430	793,623	0
	Deductions from non-operating revenues	792,902	430	792,472	0
	Non-operating income	52,474,955	422,992	11,975,253	40,076,710
	Gross income	75,709,435	16,836,607	20,346,852	38,525,976
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	1,152,473	650,318	502,155	0
332	Rent deductions for conduits, poles and other supports	160,390	160,390	0	0
333	Rent deductions for instruments and equipment	221,051	221,051	0	0
334	Miscellaneous rent deductions	394,664	393,864	800	0
340	Amortization of landed capital	85,233	85,233	0	0
341	Miscellaneous deductions from income	237,628	11,554	0	226,074
335	Interest deductions for funded debt	16,076,697)			
336	Other interest deductions	1,541,244)			
338	Amortization of debt discount and expense	1,837,351)	6,526,954	16,831,331	38,771,410

333	Rent deductions for instruments and equipment *	221,051	221,051	0	0
334	Miscellaneous rent deductions	394,664	393,864	800	0
340	Amortization of landed capital	85,233	85,233	0	0
341	Miscellaneous deductions from income	237,628	11,554	0	226,074
335	Interest deductions for funded debt	16,076,697)			
336	Other interest deductions	1,541,244)			
338	Amortization of debt discount and expense	1,837,351)	6,526,954	16,831,331	38,771,410
351	Dividend appropriations of income	42,674,403)			
#	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	900,000	900,000
	Total	$64,381,234	$ 8,049,364	$16,434,286	$39,897,484
	Amount transferred to credit of Corporate Surplus	$11,328,801	$ 8,787,243	$ 3,912,566	$ 1,371,508

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion - Account Number "#").

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 335-351, incl., represents interest and dividends apportioned to that department.

December 3, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS)
3. HOLDING COMPANY OPERATIONS) (PARTLY ESTIMATED)
SCHEDULE 300I OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1920

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated)
	I. Operating Income				
300	Telephone operating revenues	$56,030,625	$37,051,467	$18,979,158	$ 0
301	Telephone operating expenses	27,827,434	18,657,078	9,170,356	0
	Net telephone operating revenue	28,203,191	18,394,389	9,808,802	0
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	28,203,191	18,394,389	9,808,802	0
304	Uncollectible operating revenues	176,814	176,814	0	0
305	Taxes assignable to operations	3,162,535	1,420,266	1,742,269	0
	Deductions from net operating revenues	3,339,349	1,597,080	1,742,269	0
	Operating income	24,863,842	16,797,309	8,066,533	0
	II. Non-Operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	120,065	0	92,045	28,010
312	Dividend revenues	34,800,465	0	0	34,800,465
313	Interest revenues	14,072,645	257,438	13,023,304	791,903
314	Sinking and other reserve fund accretions	2,415	0	0	2,415
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	23,672	13,495	0	10,177
	Total non-operating revenues	49,019,252	270,933	13,115,349	35,632,970
320	Rent expense	58,450	0	58,450	0
321	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	58,450	0	58,450	0
322	Non-operating taxes	42,821	0	42,821	0
323	Uncollectible non-operating revenues	1,102,889	0	0	1,102,889
	Deductions from non-operating revenues	1,204,160	0	101,271	1,102,889
	Non-operating income	47,815,092	270,933	13,014,078	34,530,081
	Gross income	72,678,934	17,068,242	21,080,611	34,530,081
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	980,274	556,914	423,360	0
332	Rent deductions for conduits, poles and other supports	105,775	105,775	0	0
333	Rent deductions for instruments and equipment	244,395	244,395	0	0
334	Miscellaneous rent deductions	402,999	402,199	800	0
340	Amortization of landed capital	84,019	84,019	0	0
341	Miscellaneous deductions from income	311,134	7,7[illegible]	0	303,407
335	Interest deductions for funded debt	16,456,382)			
336	Other interest deductions	372,164)			
338	Amortization of debt discount and expense	1,900,576)	5,442,269	15,285,182	33,378,466
351	Dividend appropriations of income	35,376,793)			

* Adjustment for "Holding Company" estimated expenses

338	Amortization of debt discount and expense	1,700,378)			
351	Dividend appropriations of income	35,376,793)			
#	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations" . . .	x x x	x x x	# 845,000	845,000
	Total	$56,234,511	$ 6,843,298	$14,864,342	$34,526,871
	Amount transferred to credit of Corporate Surplus	$16,444,423	$10,224,944	$ 6,216,269	$ 3,210

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion - Account Number "#").

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 335 - 351, incl., represents interest and dividends apportioned to that department.

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December 7, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS (PARTLY ESTIMATED)
3. HOLDING COMPANY OPERATIONS
SCHEDULE 3001 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1922

I.C.C. Classification Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract Operations* (Partly Estimated) (See Note B)
	I. Operating Income				
300	Telephone operating revenues	$65,334,890	$42,231,468	$23,090,460	$ 12,962
301	Telephone operating expenses	32,516,918	19,150,028	11,796,293	1,570,597
	Net telephone operating revenue	32,805,972	23,081,440	11,292,167	1,557,635
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	32,805,972	23,081,440	11,292,167	1,557,635
304	Uncollectible operating revenues	411,849	411,849	0	0
305	Taxes assignable to operations	5,922,173	2,977,129	2,945,044	0
	Deductions from net operating revenues	6,334,022	3,388,978	2,945,044	0
	Operating income	26,471,950	19,692,462	8,347,123	1,557,635
	II. Non-Operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	116,736	38,928	49,798	28,010
312	Dividend revenues	44,972,929	0	0	44,972,929
313	Interest revenues	12,668,109	136,924	10,912,945	1,618,240
314	Sinking and other reserve fund accretions	2,221	0	0	2,221
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	108,990	20,023	5,800	83,167
	Total non-operating revenues	57,868,985	195,875	10,968,543	46,704,567
320	Rent expense	9,607	0	9,607	0
321	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	9,607	0	9,607	0
322	Non-operating taxes	0	0	0	0
323	Uncollectible non-operating revenues	386,519	364	386,155	0
	Deductions from non-operating revenues	396,126	364	395,762	0
	Non-operating income	57,472,859	195,511	10,572,781	46,704,567
	Gross income	83,944,809	19,887,973	18,919,904	45,136,932
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	1,150,637	745,975	404,161	501
332	Rent deductions for conduits, poles and other supports	136,117	136,117	0	0
333	Rent deductions for instruments and equipment	316,922	316,922	0	0
334	Miscellaneous rent deductions	541,554	536,170	2,025	3,359
340	Amortization of landed capital	89,237	89,237	0	0
341	Miscellaneous deductions from income	41,902	17,858	0	24,044
335	Interest deductions for funded debt	13,580,164)			
336	Other interest deductions	1,917,848)	7,049,748	16,721,946	44,697,570
351	Dividend appropriations of income	52,971,252)			
#	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	980,000	980,000
	Total	$70,745,633	$ 8,893,027	$16,148,132	$45,705,474

335	Interest deductions for funded debt	13,580,164)			
336	Other interest deductions	1,917,848)	7,049,748	16,721,946	44,697,570
351	Dividend appropriations of income	52,971,252)			
#	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	980,000	980,000
	Total	$70,745,633	$ 8,893,027	$16,141,122	$45,705,474
	Amount transferred to credit of Corporate Surplus	$13,199,176	$10,993,946	$ 2,771,772	$ 568,542

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion Account Number "#").

Notes: A Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 335-351, incl., represents interest and dividends apportioned to that department.

B The column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes total revenues and expenses of the Radio Broadcasting Operations (Station WEAF) for which separate subsidiary accounts were maintained.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:

1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)

SCHEDULE 3001 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1928

I.C.C. Classification: Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated) (See Note B)
	I. Operating Income				
300	Telephone operating revenues	$71,840,735	$45,815,137	$25,893,929	$ 131,669
301	Telephone operating expenses	34,197,386	21,099,889	13,098,662	118,836
	Net telephone operating revenue	37,643,349	24,715,248	12,885,267	12,834
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	37,643,349	24,715,248	12,885,267	12,834
304	Uncollectible operating revenues	644,404	644,404	0	0
305	Taxes assignable to operations	6,301,947	3,378,879	2,184,047	19,021
	Deductions from net operating revenues	7,226,351	4,023,283	3,184,047	19,021
	Operating income	30,416,998	20,721,965	9,701,220	- 6,187
	II. Non-Operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	236,536	35,848	169,224	31,464
312	Dividend revenues	34,078,663	0	0	34,078,663
313	Interest revenues	12,996,157	158,784	10,313,295	2,524,078
314	Sinking and other reserve fund accretions	2,550	0	0	2,550
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	134,320	4,478	32,181	97,661
	Total non-operating revenues	47,450,226	199,110	10,514,700	36,736,416
320	Rent expense	30,802	0	30,186	616
321	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	30,802	0	30,186	616
322	Non-operating taxes	0	0	0	0
323	Uncollectible non-operating revenues	0	0	0	0
	Deductions from non-operating revenues	30,802	0	30,186	616
	Non-operating income	47,419,424	199,110	10,484,514	36,735,800
	Gross income	77,836,422	20,921,075	20,185,734	36,729,613
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	1,182,726	993,994	186,017	2,715
332	Rent deductions for conduits, poles and other supports	144,273	144,273	0	0
333	Rent deductions for instruments and equipment	359,211	352,906	0	6,305
334	Miscellaneous rent deductions	644,224	620,696	4,000	21,528
340	Amortization of landed capital	93,959	93,959	0	0
341	Miscellaneous deductions from income	42,101	20,740	0	1,361
335	Interest deductions for funded debt	11,443,469)			
336	Other interest deductions	2,254,268)	7,814,262	16,365,858	32,792,005
351	Dividend appropriations of income	65,274,388)			
*	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	[illegible]	1,000,000
	Total	$79,418,629	$10,040,833	$15,588,875	$33,833,921

	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations" . . .	x x x	x x x	[illegible]	1,000,000
	Total	$79,418,629	$10,040,833	$15,538,875	$83,823,921
	Amount transferred to credit of Corporate Surplus	$18,417,793	$10,880,242	$ 4,631,859	$ 2,905,692

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion - Account Number).

Notes: A Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 335-351, incl., represents interest and dividends apportioned to that department.

B The column "Holding Company (includin. Miscellaneous Non-License Contract Operations" includes total revenues and expenses of the Radio Broadcasting Operations (Station WEAF), for which separate subsidiary accounts were maintained.

August 25, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)
SCHEDULE 3001 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1924

Account Number	I.C.C. Classification Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated) (See Note B)
	I. Operating Income				
300	Telephone operating revenues	$ 75,513,105	$46,984,983	$28,303,393	$ 224,700
301	Telephone operating expenses	25,738,089	21,181,687	14,235,851	320,521
	Net telephone operating revenue	49,775,077	25,803,296	14,067,542	95,732
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	49,775,077	25,803,266	14,067,542	95,731
304	Uncollectible operating revenues	641,646	641,131	0	405
305	Taxes assignable to operations	7,597,587	3,848,359	3,739,091	9,937
	Deductions from net operating revenues	8,239,233	4,489,710	3,739,091	10,432
	Operating income	31,535,844	21,313,556	10,328,451	106,163
	II. Non-operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	259,926	26,069	201,730	32,127
312	Dividend revenues	63,359,326	0	0	63,359,326
313	Interest revenues	14,370,671	222,746	12,757,352	1,390,573
314	Sinking and other reserve fund accretions	3,234	0	0	3,234
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	176,373	7,821	54,773	113,779
	Total non-operating revenues	78,369,730	256,636	13,014,056	65,299,039
320	Rent expense	42,963	0	42,104	859
321	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	42,963	0	42,104	859
322	Non-operating taxes	0	0	0	0
323	Uncollectible non-operating revenues	0	0	0	0
	Deductions from non-operating revenues	42,963	0	42,104	859
	Non-operating income	78,326,767	256,636	12,971,951	65,298,180
	Gross income	110,062,611	21,570,192	23,300,402	65,192,017
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	1,070,629	999,865	66,665	4,099
332	Rent deductions for conduits, poles and other supports	205,032	205,032	0	0
333	Rent deductions for instruments and equipment	320,564	318,326	0	2,238
334	Miscellaneous rent deductions	736,240	717,470	2,000	16,770
340	Amortization of landed capital	100,531	100,531	0	0
341	Miscellaneous deductions from income	10,252	7,025	0	17,278
335	Interest deductions for funded debt	13,658,801)			
336	Other interest deductions	2,914,241)	9,026,747	19,993,711	58,470,811
339	Release of premiums on debt - Cr.	0)			
351	Dividend appropriations of income	70,918,227)			

336	Other interest deductions	(2,914,241)	9,026,747	19,993,711	58,470,811
339	Release of premiums on debt - Cr.	0)			
351	Dividend appropriations of income	70,918,227)			
#	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	1,200,000	1,200,000
	Total	$ 89,934,517	$11,360,945	$18,862,376	$59,711,196
	Amount transferred to credit of Corporate Surplus	$ 20,128,094	$10,209,247	$ 4,438,026	$ 5,460,829

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion - Account Number "#").

Notes: A Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 335-351, incl., represents interest and dividends apportioned to that department.

B The column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes total revenues and expenses of the Radio Broadcasting Operations (station WEAF) for which separate subsidiary accounts were maintained.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:

1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)

SCHEDULE 800I OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1925

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I.C.C. Classification: Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated) (See Note B)
	I. Operating Income				
300	Telephone operating revenues	$ 86,934,624	$53,742,951	$31,932,813	$ 858,861
301	Telephone operating expenses	39,671,282	23,137,931	15,736,028	397,323
	Net telephone operating revenue	47,063,342	30,605,020	16,196,784	261,538
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	47,063,342	30,605,020	16,196,784	261,538
304	Uncollectible operating revenues	694,432	693,552	0	880
305	Taxes assignable to operations	8,344,901	4,184,269	4,151,356	9,276
	Deductions from net operating revenues	9,039,333	4,877,841	4,151,356	10,156
	Operating income	38,024,009	25,727,179	12,045,428	251,402
	II. Non-operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	262,849	26,114	211,520	25,215
312	Dividend revenues	73,895,527	0	0	73,895,527
313	Interest revenues	17,967,082	320,252	16,333,187	1,313,643
314	Sinking and other reserve fund accretions	5,488	0	0	5,488
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	293,343	9,620	80,403	233,220
	Total non-operating revenues	93,924,289	355,986	16,895,110	76,973,193
320	Rent expense	62,856	2,011	59,020	1,825
321	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	62,856	2,011	59,080	1,825
322	Non-operating taxes	0	0	0	0
323	Uncollectible non-operating revenues	0	0	0	0
	Deductions from non-operating revenues	62,856	2,011	59,020	1,825
	Non-operating income	93,861,433	353,975	16,836,090	76,971,368
	Gross income	131,885,442	26,081,154	28,881,518	77,222,770
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	1,183,866	1,027,866	155,387	643
332	Rent deductions for conduits, poles and other supports	308,938	308,938	0	0
333	Rent deductions for instruments and equipment	361,853	361,784	0	69
334	Miscellaneous rent deductions	1,033,536	913,585	2,046	117,908
340	Amortization of landed capital	104,699	104,699	0	0
341	Miscellaneous deductions from income	43,56:	44,824	0	1,261
335	Interest deductions for funded debt	18,903,534)			
336	Other interest deductions	2,728,753)			
339	Release of premiums on debt - Cr.	0)	9,951,263	34,862,013	67,862,436
361	Dividend appropriations of income	81,044,426)			
f	Adjustment for "Holding Company" estimated expenses [illegible] incurred with "License Contract Operations"	x x x	x x x	1,400,000	1,400,000

335	Interest deductions for funded debt	18,902,534)			
336	Other interest deductions	2,728,753)			
339	Release of premiums on debt - Cr.	0)			
341	Dividend appropriations of income	81,044,425)	951,263	24,862,012	67,862,458
	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations" . . .	x x x	x x x	1,400,000	1,400,000
	Total	$103,524,822	$12,585,111	$23,619,395	$89,382,816
	Amount transferred to credit of Corporate Surplus	$ 26,360,620	$13,558,063	$ 6,962,123	$ 7,840,654

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion - account number "f".

Notes: A Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 335-341, incl., represents interest and dividends apportioned to that department.

B The column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes total revenues and expenses of the Radio Broadcasting Operations (Station WRUL) for which separate subsidiary accounts were maintained.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY

1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS (PARTLY ESTIMATED)
3. HOLDING COMPANY OPERATIONS

SCHEDULE 300I OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1926

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I.C.C. Classification Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract* Operations* (Partly Estimated (See Note B)
	I. Operating Income				
300	Telephone operating revenues	$ 91,323,925	$59,242,807	831,548,380	$ 532,738
301	Telephone operating expenses	45,035,389	26,697,702	17,976,126	361,341
	Net telephone operating revenue	46,288,536	32,545,105	13,572,254	171,177
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	46,288,536	32,545,105	13,572,254	171,177
304	Uncollectible operating revenues	741,968	728,468	0	13,500
305	Taxes assignable to operations	8,042,783	4,632,214	3,408,795	1,774
	Deductions from net operating revenues	8,784,751	5,360,682	3,408,795	15,274
	Operating income	37,503,785	27,184,423	10,163,459	155,903
	II. Non-operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	91,165	91,165	0	0
312	Dividend revenues	91,963,935	0	0	91,963,935
313	Interest revenues	14,155,209	444,273	13,262,110	448,826
314	Sinking and other reserve fund accretions	17,610	0	0	17,610
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	359,122	27,779	0	331,343
	Total non-operating revenues	106,587,041	563,217	13,262,110	92,761,714
320	Rent expense	1,128	1,128	0	0
321	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	1,128	1,128	0	0
322	Non-operating taxes	0	0	0	0
323	Uncollectible non-operating revenues	0	0	0	0
	Deductions from non-operating revenues	1,128	1,128	0	0
	Non-operating income	106,585,913	562,089	13,262,110	92,761,714
	Gross income	144,089,698	27,746,512	23,425,569	92,917,617
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	2,339,427	1,232,496	1,095,176	11,755
332	Rent deductions for conduits, poles and other supports	191,991	191,991	0	0
333	Rent deductions for instruments and equipment	1,264,368	1,264,368	0	0
334	Miscellaneous rent deductions	1,249,709	1,172,304	2,045	75,360
340	Amortization of landed capital	111,328	111,328	0	0
341	Miscellaneous deductions from income	1,488	30	0	1,458
335	Interest deductions for funded debt	19,001,445			

334	Miscellaneous rent deductions	1,249,709	1,242,308	2,045	75,360
340	Amortization of landed capital	111,328	111,328	0	0
341	Miscellaneous deductions from income	1,488	30	0	1,458
335	Interest deductions for funded debt	19,001,445)			
336	Other interest deductions	2,939,541)			
339	Release of premiums on debt - Cr.	0)	11,066,555	20,352,648	77,018,131
351	Dividend appropriations of income	86,496,346)			
	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	1,600,000	1,600,000
	Total	$113,595,643	$15,[illegible]	$19,840,809	$78,706,704
	Amount transferred to credit of Corporate Surplus	$ 30,494,055	$12[illegible]	$ 3,575,700	$14,210,[illegible]

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion - Account Number "[illegible]").

Notes: A. Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 335-351, incl., represents interest and dividends apportioned to that Department.

B. The column "Holding Company (including Miscellaneous non-License Contract Operations" includes total revenues and expenses of the Radio Broadcasting Operations (station WAR) for which separate subsidiary accounts were maintained.

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August 25 1931

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)

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SCHEDULE 200I OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1927

I.C.C. Classification Account Number	Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated)
	I. Operating Income				
300	Telephone operating revenues	$ 99,866,791	$65,624,107	$34,242,684	$ 0
301	Telephone operating expenses	51,145,753	31,468,612	19,648,269	28,872
	Net telephone operating revenue	48,721,038	34,155,495	14,594,415	X 28,872
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	48,721,038	34,155,495	14,594,415	X 28,872
304	Uncollectible operating revenues	833,609	830,590	0	3,019
305	Taxes assignable to operations	7,777,411	4,295,118	3,340,070	142,223
	Deductions from net operating revenues	8,611,020	5,125,708	3,340,070	145,242
	Operating income	40,110,018	29,029,787	11,254,345	X 174,114
	II. Non-operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	45,599	45,599	0	0
312	Dividend revenues	147,895,600	0	10,280	147,885,320
313	Interest revenues	15,998,396	502,617	14,215,811	1,279,968
314	Sinking and other reserve fund accretions	25,324	0	0	25,324
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	631,980	51,452	0	580,528
	Total non-operating revenues	164,596,899	599,668	14,226,091	149,771,140
320	Rent expense	0	0	0	0
321	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	0	0	0	0
322	Non-operating taxes	0	0	0	0
323	Uncollectible non-operating revenues	0	0	0	0
	Deductions from non-operating revenues	0	0	0	0
	Non-operating income	164,596,899	599,668	14,226,091	149,771,140
	Gross income	204,706,917	29,629,455	25,480,436	149,597,026
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	2,646,128	1,444,157	1,198,052	3,919
332	Rent deductions for conduits, poles and other supports	201,191	201,191	0	0
333	Rent deductions for instruments and equipment	1,573,857	1,573,857	0	0
334	Miscellaneous rent deductions	1,828,675	1,825,710	2,965	0
340	Amortization of leased capital	132,712	132,712	0	0
341	Miscellaneous deductions from income	1,594	30	0	1,564
335	Interest deductions for funded debt	18,908,325)			
336	Other interest deductions	2,860,660)			
339	Release of premiums on debt - Cr.	0)			
351	Dividend appropriations of income	97,370,6[illegible]	13,344,639	20,442,471	85,361,809

340	Amortization of landed capital	132,712	132,712	0	0
341	Miscellaneous deductions from income	1,594	30	0	1,564
335	Interest deductions for funded debt	18,908,325)			
336	Other interest deductions	2,860,660)			
339	Release of premiums on debt - Cr.	0)			
351	Dividend appropriations of income	97,379,934)	13,344,639	20,442,471	85,361,809
#	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	X 1,800,000	1,800,000
	Total	$125,533,076	$18,522,296*	$19,843,488	$ 87,167,292
	Amount transferred to credit of Corporate Surplus	$ 79,173,841	$11,107,159	$ 5,636,948	$ 62,429,734

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion--Account Number "#").

Note: Separate subsidiary accounts are currently maintained recording the results of the operations of the Long Lines Department. The item appearing opposite Accounts 335-351, incl., represents interest and dividends apportioned to that department.

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X Red Figures

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:

1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)

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SCHEDULE 800I OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1928

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated)
	I. Operating Income				
300	Telephone operating revenues	$100,583,826	$81,379,664	$19,204,162	$ 0
301	Telephone operating expenses	54,417,425	38,589,869	15,762,903	64,653
	Net telephone operating revenue	46,166,401	42,789,795	3,441,259	X 64,653
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	46,166,401	42,789,795	3,441,259	X 64,653
304	Uncollectible operating revenues	925,034	925,034	0	0
305	Taxes assignable to operations	7,741,067	6,066,856	1,671,872	339
	Deductions from net operating revenues	8,666,101	6,991,890	1,671,872	339
	Operating income	37,500,300	35,795,905	1,769,387	X 64,992
	II. Non-operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	52,583	52,583	0	0
312	Dividend revenues	119,176,197	0	0	119,176,197
313	Interest revenues	15,420,239	566,338	14,606,859	247,042
314	Sinking and other reserve fund accretions	34,600	0	0	34,600
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	514,532	8,504	0	506,028
	Total non-operating revenues	135,198,151	627,425	14,606,859	119,963,867
330	Rent expense	0	0	0	0
331	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	0	0	0	0
332	Non-operating taxes	0	0	0	0
333	Uncollectible non-operating revenues	0	0	0	0
	Deductions from non-operating revenues	0	0	0	0
	Non-operating income	135,198,151	627,425	14,606,859	119,963,867
	Gross Income	172,698,451	36,423,330	16,376,246	119,898,875
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	3,189,532	1,895,771	1,289,238	4,523
332	Rent deductions for conduits, poles and other supports	257,755	257,755	0	0
333	Rent deductions for instruments and equipment	2,263,198	2,263,198	0	0
334	Miscellaneous rent deductions	1,564,117	1,561,340	2,777	0
340	Amortization of funded capital	154,242	154,242	0	0
341	Miscellaneous deductions from income	1,558	30	0	1,528
335	Interest deductions for funded debt	18,831,03.)			
336	Other interest deductions	3,266,528)			
339	Release of premiums on debt - CR.	0)	16,179,436	16,351,436	92,180,126
351	Dividend appropriations of income	103,821,44.)			

335	Interest deductions for funded debt	18,831,03.)			
336	Other interest deductions	3,266,528)			
339	Release of premiums on debt - CR.	0)	16,179,436	16,551,436	92,18o,126
351	Dividend appropriations of income	103,821,44.)			
#	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations" . . .				
	Total	x x x $133,349,4.o	x x x $21,311,772	X2,000,000 $17,843,451	2,0 ,000 $ 94,194,177
	Amount transferred to credit of Corporate Surplus	$ 39,349,031	$15,111,558	X$ 1,467,205	$ 25,704,698

* The Column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion - account Number "#").

X Red Figures

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 335-351, incl., represents interest and dividends apportioned to that department.

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August 25, 1931.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:

1. LONG LINE DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)

SCHEDULE 300I OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1939

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I.C.C. Classification Account Number	Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated)
	I. Operating Income				
300	Telephone operating revenues	$111,890,241	$96,011,716	$15,878,525	$ 0
301	Telephone operating expenses	65,043,863	46,739,648	17,824,300	339,915
	Net telephone operating revenue	46,846,378	49,272,068	-1,945,775	-339,915
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	46,846,378	49,272,068	-1,945,775	-339,915
304	Uncollectible operating revenues	1,100,117	1,100,117	0	0
305	Taxes assignable to operations	6,626,745	5,618,033	1,018,102	611
	Deductions from net operating revenues	7,726,862	6,718,150	1,018,102	611
	Operating income	39,109,516	42,553,918	-2,966,779	-340,526
	II. Non-operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	52,424	52,424	0	0
312	Dividend revenues	140,911,891	0	0	140,911,891
313	Interest revenues	21,353,035	1,131,894	17,903,105	2,318,036
314	Sinking and other reserve fund accretions	21,280	0	0	21,280
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	1,397,036	13,738	0	1,383,298
	Total non-operating revenues	163,805,666	1,198,056	17,903,105	144,704,505
320	Rent expense	0	0	0	0
321	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	0	0	0	0
323	Non-operating taxes	0	0	0	0
325	Uncollectible non-operating revenues	0	0	0	0
	Deductions from non-operating revenues	0	0	0	0
	Non-operating income	163,805,666	1,198,056	17,903,105	144,704,505
	Gross income	202,915,182	43,751,960	14,939,326	144,443,896
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	5,678,194	2,344,627	1,302,483	9,084
332	Rent deductions for conduits, poles and other supports	290,373	290,373	0	0
333	Rent deductions for instruments and equipment	3,106,938	3,106,938	0	0
334	Miscellaneous rent deductions	1,822,808	1,817,230	5,565	13
340	Amortization of landed capital	193,405	193,405	0	0
341	Miscellaneous deductions from income	1,608	30	0	0
					1,578
335	Interest deductions for funded debt	23,069,423)			
336	Other interest deductions	5,379,364)			
339	Release of premiums on debt - Cr.	15,873)	19,830,181	21,743,389	102,709,105
351	Dividend appropriations of income	116,378,771)			
	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	-250,000	250,000
	Total	$153,104,195	$27,382,783	$20,801,648	$103,969,987

330	Release of premiums on secs - Cr.				
331	Dividend appropriations of income	(116,378,771)			
f	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	1,250,000	2,250,000
	Total	$153,104,195	$27,382,783	$20,801,648	$104,969,767
	Amount transferred to credit of Corporate Surplus	$ 69,816,987	$16,199,177	5,963,319	$ 39,474,129

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion - Account Number "f").

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 333-331, incl., represents interest and dividends apportioned to that department.

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August 25, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)

SCHEDULE 3001 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1930

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Account Number	I.C.C. Classification Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations* (Partly Estimated)	Holding Company (Incl. Miscellaneous Non-License Contract) Operations* (Partly Estimated)
	I. Operating Income				
300	Telephone operating revenues	$114,560,865	$ 98,049,726	$ 16,511,139	$ 0
301	Telephone operating expenses	75,934,313	53,229,447	22,111,914	612,952
	Net telephone operating revenue	38,606,552	44,820,279	-5,600,775	-612,952
302	Other operating revenues	0	0	0	0
303	Other operating expenses	0	0	0	0
	Net revenue from other operations	0	0	0	0
	Total net operating revenues	38,606,552	44,820,279	-5,600,775	-612,952
304	Uncollectible operating revenues	1,240,846	1,243,336	0	2,490
305	Taxes assignable to operations	4,829,862	3,836,136	988,898	4,828
	Deductions from net operating revenues	6,070,708	5,079,472	988,898	2,338
	Operating income	32,535,844	39,740,807	-6,589,673	-615,290
	II. Non-operating Income				
310	Rent revenues from lease of telephone plant	0	0	0	0
311	Miscellaneous rent revenues	53,688	53,688	0	0
312	Dividend revenues	148,178,886	0	0	148,178,886
313	Interest revenues	28,026,861	1,725,698	19,416,159	6,885,004
314	Sinking and other reserve fund accretions	18,031	0	0	18,031
315	Profits from operations of others	0	0	0	0
316	Miscellaneous non-operating revenues	1,176,539	32,980	0	1,143,559
	Total non-operating revenues	177,454,005	1,812,366	19,416,159	156,225,480
330	Rent expense	0	0	0	0
331	Miscellaneous non-operating expense	0	0	0	0
	Total non-operating expense	0	0	0	0
322	Non-operating taxes	0	0	0	0
323	Uncollectible non-operating revenues	0	0	0	0
	Deductions from non-operating revenues	0	0	0	0
	Non-operating income	177,454,005	1,812,366	19,416,159	156,225,480
	Gross income	209,989,849	41,553,173	12,826,486	155,610,190
	III. Deductions from Gross Income				
330	Rent deductions for lease of telephone plant	0	0	0	0
331	Rent deductions for telephone offices	4,823,305	3,448,079	1,367,501	7,725
332	Rent deductions for conduits, poles and other supports	434,001	434,001	0	0
333	Rent deductions for instruments and equipment	4,404,272	4,404,272	0	0
334	Miscellaneous rent deductions	2,097,309	2,089,740	7,569	0
340	Amortization of landed capital	249,022	249,022	0	0
341	Miscellaneous deductions from income	1,455	29	0	1,426
335	Interest deductions for funded debt	25,436,441)			
336	Other interest deductions	7,017,835)			
350	Release of premiums on debt - Cr.	20,498)	24,417,353	25,186,540	122,049,938
351	Dividend appropriations of income	139,238,073)			

335	Interest deductions for funded debt	25,438,441)			
336	Other interest deductions	7,017,835)			
350	Release of premiums on debt - Cr.	20,498)	24,417,353	25,186,540	122,069,958
351	Dividend appropriations of income	139,238,073)			
	Adjustment for "Holding Company" estimated expenses jointly incurred with "License Contract Operations"	x x x	x x x	2,500,000	2,500,000
	Total	$183,683,215	$ 35,042,496	$ 24,061,610	$124,579,100
	Amount transferred to credit of Corporate Surplus	$ 26,306,634	$ 6,510,677	$ 11,235,124	$ 31,031,081

* The column "License Contract Operations" includes certain items which may be considered in part "Holding Company" items. (See adjustment for "Holding Company" portion - Account Number "#").

Note: Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 335-351, incl., represents interest and dividends apportioned to that Department.

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August 25, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF TOTAL REVENUES AND EXPENSES SHOWING SEPARATELY:

1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. PERMANENT INVESTMENTS IN LICENSEE COMPANIES
4. OTHER ACTIVITIES

SCHEDULE 3001 OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1931

Account Number	I.C.C. Classification Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations (Partly Estimated)*	Permanent Investments in Licensee Companies*	Other Activities (Partly Estimated)*
	I. Operating Income					
300	Telephone operating revenues	$109,317,901	$93,139,746	$16,135,455	$ 0	$ 42,760
301	Telephone operating expenses	69,620,770	49,244,717	20,041,557	0	334,496
	Net telephone operating revenue	39,697,191	43,895,029	X 3,906,102	0	X 291,736
302	Other operating revenues	0	0	0	0	0
303	Other operating expenses	0	0	0	0	0
	Net revenue from other operations	0	0	0	0	0
	Total net operating revenues	39,697,191	43,895,029	X 3,906,102	0	X 291,736
304	Uncollectible operating revenues	1,264,782	1,264,782	0	0	0
305	Taxes assignable to operations	6,084,839	4,546,782	1,537,360	0	697
	Deductions from net operating revenues	7,349,621	5,811,564	1,537,360	0	697
	Operating income	32,347,570	38,083,465	X 5,443,462	0	X 292,433
	II. Non-operating Income					
310	Rent revenues from lease of telephone plant	0	0	0	0	0
311	Miscellaneous rent revenues	59,560	59,560	0	0	0
312	Dividend revenues	150,135,884	0	0	139,443,081	10,692,803
313	Interest revenues	27,138,694	2,378,953	16,976,469	26,920	7,756,352
314	Sinking and other reserve fund accretions	18,233	0	0	0	18,233
315	Profits from operations of others	0	0	0	0	0
316	Miscellaneous non-operating revenues	1,171,717	36,116	0	0	1,135,601
	Total non-operating revenues	178,524,088	2,474,629	16,976,469	139,470,001	19,602,989
320	Rent expense	0	0	0	0	0
321	Miscellaneous non-operating expense	0	0	0	0	0
	Total non-operating expense	0	0	0	0	0
322	Non-operating taxes	0	0	0	0	0
325	Uncollectible non-operating revenues	0	0	0	0	0
	Deductions from non-operating revenues	0	0	0	0	0
	Non-operating income	178,524,088	2,474,629	16,976,469	139,470,001	19,602,989
	Gross income	210,871,658	40,558,094	11,533,007	139,470,001	19,310,556
	III. Deductions from Gross Income					
330	Rent deductions for lease of telephone plant	0	0	0	0	0
331	Rent deductions for telephone offices	5,309,871	3,940,544	1,356,339	0	12,988
332	Rent deductions for conduits, poles and other supports	577,281	577,281	0	0	0
333	Rent deductions for instruments and equipment	5,271,874	5,271,874	0	0	0
334	Miscellaneous rent deductions	1,683,209	1,677,823	5,386	0	0
340	Amortization of landed capital	210,379	210,379	0	0	0
341	Miscellaneous deductions from income	1,633	30	0	0	1,603
335	Interest deductions for funded debt	23,415,572)				
336	Other interest deductions	7,737,702)				
339	Release of premiums on debt - Cr.	2,396)	28,359,418	B)23,126,991	117,477,133	25,775,810
351	Dividend appropriations of income	163,586,474)				
	Total	X X X X	X X X X	X X X X	117,477,133	25,790,401
	Net	X X X X	X X X X	X X X X	21,992,868	X 6,479,845
	Adjustment in respect of costs incurred [illegible]					$15,513,023

351	Dividend appropriations of income	163,588,474)				
	Total	x x x x	x x x x	x x x x	117,477,133	25,790,401
	Net	x x x x	x x x x	x x x x	21,992,868	X 6,479,845
					$15,513,023	
	Adjustment in respect of costs incurred jointly for (a) License Contract Services and (b) for Other Activities of the Company *	x x x x	x x x x	X 2,500,000		2,500,000
	Total	207,793,599	40,037,349	21,988,716		x x x x.
	Amount transferred to credit of Corporate Surplus	$ 3,078,059	$ 520,745	X $10,455,709		$13,013,023

* The column "License Contract Operations" includes certain items of costs which may be considered allocable in part under "Permanent Investments in Licensee Companies" or under "Other Activities". These items comprise the costs incurred jointly for License Contract Services and for other operations of the company. (See adjustment in respect of such items under Account Number "#".)

Notes: A. Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department. The item appearing opposite Accounts 335-351, inclusive, represents interest and dividends apportioned to that department.

B Includes Amortization of Debt Discount and Expense.

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EXHIBIT X-105

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS (PARTLY ESTIMATED)
SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1930

I.C.C. Classification		Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated)
Account Number	Title				
101	Fixed Capital	$107,645,614	$82,023,437	$ 25,112,910	$ 509,267
104	Construction Work in Progress	5,684,515	5,684,515	0	0
105	Investment Securities	589,722,446	0	23,830,995	565,891,451
110	Advances to System Corporations for Construction, etc.	163,768,614	0	163,768,614	0
111	Miscellaneous Investments	553,134	0	553,134	0
	Total Investment	867,374,323	87,707,952	213,265,653	566,400,718
112	Cash and Deposits	27,394,245	875,777	26,508,468	10,000
115	Employees' Working Funds	1,238,096	1,140,350	97,746	0
116	Marketable Securities	1,102,422	0	1,102,422	0
117	Bills Receivable	20,215,026	3,009	10,135,153	10,076,864
118	Due from Subscribers and Agents	214,346	214,346	0	0
119	Accounts Receivable from System Corporations	7,784,250	3,397,182	3,720,913	666,155
120	Miscellaneous Accounts Receivable	12,195,299	287,439	6,536,406	5,371,454
122	Materials and Supplies	973,109	441,634	531,475	0
124	Unmatured Interest, Dividends and Rents Receivable	1,063,006	0	0	1,063,006
	Total Working Assets and Accrued Income	72,179,799	6,359,737	48,632,583	17,187,479
125	Sinking Fund Assets	11,738	0	0	11,738
126	Insurance and Other Reserve Fund Assets	34,000	0	0	34,000
128	Prepayments	25,315	25,315	0	0
136	Other Suspense	718,646	491,928	0	226,718
	Total Deferred Debit Items	789,699	517,243	0	272,456
	Grand Total	$940,343,821	$94,584,932	$261,898,236	$583,860,653

* The column "License Contract Operations" include certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

Note: Separate subsidiary accounts are currently maintained showing assets devoted to Long Lines Department Operations.

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December 3, 1931.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY:

1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS)
3. HOLDING COMPANY OPERATIONS) (PARTLY ESTIMATED)

SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1931

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See "Note")	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated)
101	Fixed Capital	$122,104,120	$ 90,456,740	$ 31,138,113	$ 509,267
104	Construction Work in Progress	6,678,870	6,678,870	0	0
105	Investment Securities	629,536,783	0	21,401,537	608,135,246
110	Advances to System Corporations for Construction, etc.	181,706,863	0	168,183,557	13,523,306
	Total Investment	940,026,636	97,135,610	220,723,207	622,167,819
112	Cash and Deposits	31,225,193	1,009,150	29,817,482	398,561
115	Employees' Working Funds	1,227,565	1,118,417	107,708	1,440
116	Marketable Securities	612,448	0	612,448	0
117	Bills Receivable	15,420,659	817	11,078,656	4,341,186
118	Due from Subscribers and Agents	220,224	220,224	0	0
119	Accounts Receivable from System Corporations	4,969,724	3,353,670	431,862	1,184,192
120	Miscellaneous Accounts Receivable	2,178,186	358,728	1,559,446	260,012
122	Materials and Supplies	1,823,954	1,342,430	481,524	0
124	Unmatured Interest, Dividends and Rents Receivable	950,932	0	0	950,932
	Total Working Assets and Accrued Income	58,628,885	7,405,436	44,089,126	7,136,323
125	Sinking Fund Assets	15,850	0	0	15,850
126	Insurance and Other Reserve Fund Assets	34,000	0	0	34,000
128	Prepayments	37,687	37,653	0	34
136	Other Suspense	538,407	401,517	0	136,890
	Total Deferred Debit Items	625,944	439,170	0	186,774
	Grand Total	$999,281,465	$104,978,216	$264,812,333	$629,490,916

* The column "License Contract Operations" includes certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

Note: Separate subsidiary accounts are currently maintained showing assets devoted to Long Lines Department Operations.

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December 3, 1931.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY
1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS)
3. HOLDING COMPANY OPERATIONS) (PARTLY ESTIMATED)
SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1922

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated) (See Note B)
101	Fixed Capital	$ 139,715,162	$100,988,248	$ 38,214,766	$ 512,148
104	Construction Work in Progress	2,510,646	2,510,646	0	0
105	Investment Securities	718,419,837	0	13,561,573	704,858,264
110	Advances to System Corporations for Construction, etc.	135,028,195	0	121,428,974	13,599,221
	Total Investment	995,673,840	103,498,894	173,205,313	718,969,633
112	Cash and Deposits	28,612,876	1,165,484	27,138,872	308,520
115	Employees' Working Funds	1,262,735	1,131,108	130,147	1,480
116	Marketable Securities	8,519,463	9	8,519,437	17
117	Bills Receivable	48,957,219	2,031	45,227,371	3,727,817
118	Due from Subscribers and Agents	243,862	243,862	0	0
119	Accounts Receivable from System Corporations	6,024,940	3,867,387	1,063,943	1,093,610
120	Miscellaneous Accounts Receivable	1,341,627	438,395	404,200	499,032
122	Materials and Supplies	2,598,046	1,899,196	698,850	0
124	Unmatured Interest, Dividends and Rents Receivable	1,464,379	256	0	1,464,123
	Total Working Assets and Accrued Income	99,, 5,147	8,747,728	83,182,820	7,094,599
125	Sinking Fund Assets	40	0	0	40
126	Insurance and Other Reserve Fund Assets	35,231	0	0	35,231
128	Prepayments	73,335	71,102	0	2,233
136	Other Suspense	523,352	459,984	0	63,368
	Total Deferred Debit Items	631,958	531,086	0	100,872
	Grand Total	$1,095,330,945	$112,777,708	$256,388,133	$726,165,104

* The column "License Contract Operations" includes certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

Note: A Separate subsidiary accounts are currently maintained showing assets devoted to Long Lines Department Operations.

B The column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes assets devoted to Radio Broadcasting Operations (Station WEAF) for which separate subsidiary accounts were maintained.

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December 3, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS)
3. HOLDING COMPANY OPERATIONS) PARTLY ESTIMATED
SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1923

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated) (See Note B)
101	Fixed Capital	$ 154,316,766	$110,714,716	$ 42,800,336	$ 801,714
104	Construction Work in Progress	2,782,605	2,782,605	0	0
105	Investment Securities	821,680,390	0	13,581,757	808,298,633
110	Advances to System Corporations for Construction, etc.	123,615,569	0	118,279,896	5,335,673
	Total Investment	1,102,595,330	113,497,321	174,661,989	814,436,020
112	Cash and Deposits	26,243,731	1,043,584	25,145,494	54,653
115	Employees' Working Funds	1,383,587	1,238,516	144,734	337
116	Marketable Securities	46,792,853	0	46,792,748	105
117	Bills Receivable	22,983,463	875	5,041,667	17,940,921
118	Due from Subscribers and Agents	255,857	255,857	0	0
119	Accounts Receivable from System Corporations	8,704,658	4,218,499	1,202,695	3,283,464
120	Miscellaneous Accounts Receivable	327,359	315,458	0	11,901
122	Materials and Supplies	2,807,623	2,234,048	573,575	0
124	Unmatured Interest, Dividends and Rents Receivable	1,589,325	12,094	0	1,577,231
	Total Working Assets and Accrued Income	111,088,456	9,318,931	78,900,903	22,868,622
125	Sinking Fund Assets	4,711	0	0	4,711
126	Insurance and Other Reserve Fund Assets	38,925	0	0	38,925
128	Prepayments	88,293	75,294	0	12,999
136	Other Suspense	691,640	406,065	0	285,575
	Total Deferred Debit Items	823,569	481,359	0	342,210
	Grand Total	$1,214,507,355	$123,297,611	$253,562,892	$837,646,852

* The column "License Contract Operations" includes certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

Notes: A Separate subsidiary accounts are currently maintained showing assets devoted to Long Lines Department Operations.

B The column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes assets devoted to Radio Broadcasting Operations (Station WEAF) for which separate subsidiary accounts were maintained.

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September 16, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY:

1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS)
3. HOLDING COMPANY OPERATIONS) PARTLY ESTIMATED

SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1924

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated) (See Note B)
101	Fixed Capital	$ 174,867,924	$127,264,004	$ 46,735,596	$ 868,324
104	Construction Work in Progress	3,944,324	3,944,324	0	0
105	Investment Securities	927,385,926	0	11,000,000	916,385,926
110	Advances to System Corporations for Construction, etc.	171,092,227	0	171,092,227	0
	Total Investment	1,277,290,401	131,208,328	228,827,823	917,254,250
112	Cash and Deposits	26,641,702	1,020,961	25,556,150	64,591
115	Employees' Working Funds	1,458,569	1,301,117	157,043	409
116	Marketable Securities	52,073,272	2,850	52,070,321	101
117	Bills Receivable	4,306,126	1,358	160,067	4,144,701
118	Due from Subscribers and Agents	286,384	286,384	0	0
119	Accounts Receivable from System Corporations	10,600,687	4,570,834	1,179,778	4,850,075
120	Miscellaneous Accounts Receivable	342,365	309,733	0	32,632
122	Materials and Supplies	4,114,027	3,046,605	1,067,422	0
124	Unmatured Interest, Dividends and Rents Receivable	1,698,031	20,614	0	1,677,417
	Total Working Assets and Accrued Income	101,521,162	10,560,456	80,190,781	10,769,926
125	Sinking Fund Assets	10,858	0	0	10,858
126	Insurance and Other Reserve Fund Assets	38,925	0	0	38,925
128	Prepayments	84,240	76,729	0	7,511
136	Other Suspense	521,232	478,374	0	42,858
	Total Deferred Debit Items	655,255	555,103	0	100,152
	Grand Total	$1,379,466,819	$142,323,887	$309,018,604	$928,124,328

* The column "License Contract Operations" includes certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

Notes: A Separate subsidiary accounts are currently maintained showing assets devoted to Long Lines Department Operations.

B The column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes assets devoted to Radio Broadcasting Operations (Station WEAF) for which separate subsidiary accounts were maintained.

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September 16, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS PARTLY ESTIMATED
SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1925

I.C.C. Classification Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated) (See Note B)
101	Fixed Capital	$ 191,698,582	$141,222,313	$ 49,702,275	$ 773,994
104	Construction Work in Progress	3,829,793	3,829,793	0	0
105	Investment Securities	1,073,980,314	0	6,416,666	1,067,563,648
110	Advances to System Corporations for Construction, etc.	229,875,268	0	229,846,374	28,894
	Total Investment	1,499,383,957	145,052,106	285,965,315	1,068,366,536
112	Cash and Deposits	23,526,459	1,050,671	22,386,491	89,297
115	Employees' Working Funds	1,484,639	1,316,222	167,714	703
116	Marketable Securities	65,669,260	3,420	65,665,740	100
117	Bills Receivable	2,547,742	7,600	1,750,300	789,842
118	Due from Subscribers and Agents	302,250	302,250	0	0
119	Accounts Receivable from System Corporations	9,331,491	5,037,450	688,204	3,605,837
120	Miscellaneous Accounts Receivable	530,650	403,770	0	126,880
122	Materials and Supplies	3,428,400	2,214,076	1,214,324	0
124	Unmatured Interest, Dividends and Rents Receivable	1,741,836	7,854	0	1,733,982
	Total Working Assets and Accrued Income	108,562,727	10,343,313	91,872,773	6,346,641
125	Sinking Fund Assets	116,429	0	0	116,429
126	Insurance and Other Reserve Fund Assets	38,508	0	0	38,508
128	Prepayments	76,793	69,718	0	7,075
136	Other Suspense	495,485	446,482	0	49,003
	Total Deferred Debit Items	727,215	516,200	0	211,015
	Grand Total	$1,608,673,899	$155,911,619	$377,838,088	$1,074,924,192

* The Column "License Contract Operations" includes certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

NOTES: A Separate subsidiary accounts are currently maintained showing assets devoted to Long Lines Department operations.

B The Column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes assets devoted to Radio Broadcasting Operations (Station WEAF) for which separate subsidiary accounts were maintained.

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September 16, 1931.

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AMERICAN [illegible]PHONE AND TELEGRAPH COMPANY

STATEMENT OF [illegible]RAGE ASSETS SHOWING SEPARATELY:

1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS

PARTLY ESTIMATED

SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1926

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated) (See Note B)
101	Fixed Capital	$ 199,246,727	$156,209,287	$ 42,977,462	$ 59,978
104	Construction Work in Progress	16,766,445	6,766,445	0	0
105	Investment Securities	1,218,616,417	0	0	1,218,616,417
110	Advances to System Corporations for Construction, etc.	185,247,343	0	185,129,748	117,595
	Total Investment	1,609,876,932	162,975,732	228,107,210	1,218,793,990
112	Cash and Deposits	25,326,321	1,191,054	24,085,677	49,590
115	Employees' [illegible]orking Funds	1,412,335	1,221,193	190,732	410
116	Marketable Securities	63,837,142	3,42[illegible]	63,833,622	100
117	Bills Receivable	1,951,208	7,042	1,083,333	860,833
118	Due from Subscribers and [illegible]gents	320,584	320,584	0	0
119	Accounts Receivable from System Corporations	9,702,571	5,721,213	0	3,981,358
120	Miscellaneous Accounts Receivable	524,900	432,826	0	92,074
122	Materials and Supplies	4,254,441	2,863,467	1,390,974	0
124	Unmatured Interest, Dividends and Rents Receivable	1,522,070	22,488	0	1,499,582
	Total Working Assets and Accrued Income	108,851,572	11,783,287	90,584,338	6,483,947
125	Sinking Fund Assets	709,523	0	0	709,523
126	Insurance and Other Reserve Fund Assets	33,925	0	0	33,925
128	Prepayments	134,485	134,485	0	0
136	Other Suspense	723,341	674,453	0	48,888
	Total Deferred Debit Items	1,601,274	808,938	0	792,336
	Grand Total	$1,720,329,778	$175,567,957	$318,691,548	$1,226,070,273

* The column "License Contract Operations" includes certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

NOTES: A Separate subsidiary accounts are currently maintained showing assets devoted to Long Lines Department Operations.

B The column "Holding Company (including Miscellaneous Non-License Contract) Operations" includes assets devoted to Radio Broadcasting Operations (Station [illegible]) for which separate subsidiary accounts were maintained.

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September 16, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS
PARTLY ESTIMATED
SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1927

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated)
101	Fixed Capital	$ 230,472,562	$187,995,375	$ 42,468,866	$ 8,321
106	Construction Work in Progress	8,648,552	8,648,552	0	0
105	Investment Securities	1,334,663,037	0	0	1,334,663,037
110	Advances to System Corporations for Construction, etc.	200,642,206	0	200,618,206	24,000
	Total Investment	1,774,426,357	196,643,927	243,087,072	1,334,695,358
112	Cash and Deposits	20,780,180	1,122,733	19,647,536	9,911
115	Employees' Working Funds	1,132,751	956,886	175,776	89
116	Marketable Securities	54,508,826	11,753	54,496,990	83
117	Bills Receivable	268,242	5,133	0	263,109
119	Due from Subscribers and Agents	518,079	518,079	0	0
120	Accounts Receivable from System Corporations	10,425,444	5,645,904	0	4,779,540
122	Miscellaneous Accounts Receivable	454,823	439,488	0	15,335
124	Materials and Supplies	4,680,328	3,194,248	1,486,080	0
	Unmatured Interest, Dividends and Rents Receivable	1,685,905	13,000	0	1,672,905
	Total Working Assets and Accrued Income	94,454,578	11,907,224	75,806,382	6,740,972
125	Sinking Fund Assets	999,812	0	0	999,812
126	Insurance and Other Reserve Fund Assets	36,473	0	0	36,473
128	Prepayments	105,218	103,139	0	2,079
136	Other Suspense	982,967	897,688	0	85,279
	Total Deferred Debit Items	2,124,470	1,000,827	0	1,123,643
	Grand Total	$1,871,005,405	$209,551,978	$318,893,454	$1,342,559,973

* The column "License Contract Operations" includes certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

Note: A Separate subsidiary accounts are currently maintained showing assets devoted to Long Lines Department Operations.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS PARTLY ESTIMATED
SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1928

I.C.C. Classification Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated)
101	Fixed Capital	$ 223,908,580	$222,655,921	$ 1,243,647	$ 9,012
104	Construction Work in Progress	10,199,395	10,199,395	0	0
105	Investment Securities	1,517,273,115	0	0	1,517,273,115
110	Advances to System Corporations for Construction, etc.	180,362,137	0	180,337,747	24,390
	Total Investment	1,931,743,227	232,855,316	181,581,394	1,517,306,517
112	Cash and Deposits	21,739,262	1,121,784	20,602,595	14,883
115	Employees' Working Funds	1,286,109	1,123,447	162,545	117
116	Marketable Securities	81,399,120	3,334	81,395,786	0
117	Bills Receivable	18,365	2,185	0	16,180
118	Due from Subscribers and Agents	769,212	769,212	0	0
119	Accounts Receivable from System Corporations	9,906,201	6,777,955	0	3,128,246
120	Miscellaneous Accounts Receivable	405,685	382,595	0	23,090
122	Materials and Supplies	3,682,407	3,682,407	0	0
124	Unmatured Interest, Dividends and Rents Receivable	1,651,841	500	0	1,650,941
	Total Working Assets and Accrued Income	120,857,802	13,863,419	102,160,926	4,833,457
125	Sinking Fund Assets	1,125,555	0	0	1,125,555
126	Insurance and Other Reserve Fund Assets	37,747	0	0	37,747
128	Prepayments	76,485	71,816	0	4,669
136	Other Suspense	1,498,044	978,923	0	519,121
	Total Deferred Debit Items	2,737,831	1,050,739	0	1,687,092
	Grand Total	$2,055,338,860	$247,769,474	$283,742,320	$1,523,827,066

* The column "License Contract Operations" includes certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

Note: A Separate subsidiary accounts are currently maintained showing assets devoted to long Lines Department Operations.

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September 16, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS)
3. HOLDING COMPANY OPERATIONS) PARTLY ESTIMATED
SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1929

I.C.C. Classification					
Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated)
101	Fixed Capital	$ 278,380,194	$277,026,858	$ 1,330,274	$ 23,062
104	Construction Work in Progress	21,030,098	21,030,098	0	0
105	Investment Securities	1,646,624,419	0	199,192	1,646,425,227
110	Advances to System Corporations for Construction, etc.	260,517,814	0	260,443,689	74,125
	Total Investment	2,206,552,525	298,056,956	261,973,155	1,646,522,414
112	Cash and Deposits	25,527,817	1,003,243	24,460,082	64,492
115	Employees' Working Funds	1,676,130	1,505,949	169,673	508
116	Marketable Securities	46,939,544	2,907	46,936,637	0
117	Bills Receivable	23,463,399	5,149	0	23,458,250
118	Due from Subscribers and Agents	774,891	774,891	0	0
119	Accounts Receivable from System Corporations	15,830,493	8,007,072	0	7,823,421
120	Miscellaneous Accounts Receivable	556,914	536,562	0	20,352
122	Materials and Supplies	5,038,105	5,038,105	0	0
124	Unmatured Interest, Dividends and Rents Receivable	1,647,480	0	0	1,647,480
	Total Working Assets and Accrued Income	121,454,773	16,873,878	71,566,392	33,014,503
125	Sinking Fund Assets	569,149	0	0	569,149
126	Insurance and Other Reserve Fund Assets	37,747	0	0	37,747
128	Prepayments	162,176	158,808	0	3,368
134	Other Suspense	1,438,094	1,391,781	0	46,313
	Total Deferred Debit Items	2,207,166	1,550,589	0	656,577
	Grand Total	$2,330,214,464	$316,481,423	$333,539,547	$1,680,193,494

* The Column "License Contract Operations" includes certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

NOTE: A Separate subsidiary accounts are currently maintained showing assets devoted to Long Lines Department operations.

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September 16, 1931.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY:
1. LONG LINES DEPARTMENT
2. LICENSE CONTRACT OPERATIONS
3. HOLDING COMPANY OPERATIONS PARTLY ESTIMATED

SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 1930

Account Number	I.C.C. Classification Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations* (Partly Estimated)	Holding Company (Including Miscellaneous Non-License Contract) Operations* (Partly Estimated)
101	Fixed Capital	$ 364,089,312	$362,501,503	$ 1,442,222	$ 145,587
104	Construction Work in Progress	30,394,159	30,394,159	0	0
105	Investment Securities	1,902,012,035	77,084	0	1,901,934,951
110	Advances to System Corporations for Construction, etc.	281,866,517	96,250	281,625,808	144,459
	Total Investment	2,578,362,023	393,068,996	283,068,030	1,902,224,997
112	Cash and Deposits	64,489,445	1,298,693	39,586,021	23,604,731
115	Employees' Working Funds	1,700,133	1,527,922	171,142	1,069
116	Marketable Securities	207,289,450	1,653	80,738,597	126,549,200
117	Bills Receivable	21,825,991	9,491	0	21,816,500
118	Due From Subscribers and Agents	882,823	882,823	0	0
119	Accounts Receivable from System Corporations	14,037,220	7,005,849	0	7,031,371
120	Miscellaneous Accounts Receivable	1,015,875	980,684	0	35,191
122	Materials and Supplies	5,877,334	5,872,334	0	0
124	Unmatured Interest, Dividends and Rents Receivable	[redacted]	0	0	3,371,961
	Total Working Assets and Accrued Income	[redacted]	17,579,469	120,495,780	182,610,023
125	Sinking Fund Assets		0	0	728,010
126	Insurance and Other Reserve Fund Assets		0	0	37,702
128	Prepayments	1,[redacted]	220,429	0	5,253
136	Other Suspense	2,9[redacted]	1,856,161	0	97,860
	Total Deferred Debit Items		2,076,590	0	868,825
	Grand Total	$2,901,792,670	$412,725,035	$403,563,790	$2,085,503,845

* The Column "License Contract Operations" includes certain relatively minor amounts which may be considered in part "Holding Company" items. On the other hand the column "Holding Company Operations" includes items which are definitely related to License Contract Operations but have not been included in column "License Contract Operations" since no part of the cost of carrying the investment therein has been included in the computation of "Estimate of Total Costs Incurred in Rendering License Contract Services."

NOTE: A Separate subsidiary accounts are currently maintained recording the results of operations of the Long Lines Department.

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September 16, 1931.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

STATEMENT OF AVERAGE ASSETS SHOWING SEPARATELY:

1. LONG LINES DEPARTMENT OPERATIONS
2. LICENSE CONTRACT OPERATIONS
3. PERMANENT INVESTMENTS IN LICENSEE COMPANIES
4. OTHER ACTIVITIES

SCHEDULE 200A OF REPORT TO THE INTERSTATE COMMERCE COMMISSION - YEAR 193

I.C.C. Classification						
Account Number	Title	Total for Company	Long Lines Department Operations (See Note A)	License Contract Operations (Partly Estimated)*	Permanent Investments in Licensee Companies*	Other Activities (Partly Estimated)*
101	Fixed Capital	$ 407,656,652	$406,023,768	$ 1,563,968	$ 0	$ 68,916
104	Construction Work in Progress	37,851,685	37,851,685	0	0	0
105	Investment Securities	2,092,090,338	100,000	110,377	1,931,439,115	160,440,846
110	Advances to System Corporations for Construction, etc.	261,682,472	1,656,250	258,429,149	0	1,597,073
	Total Investment	2,799,281,147	445,631,703	260,103,494	1,931,439,115	162,106,835
112	Cash and Deposits	57,441,434	456,984	33,448,843	0	23,535,607
115	Employees' Working Funds	1,063,726	895,017	168,125	0	584
116	Marketable Securities	271,035,606	1,020	67,165,221	0	203,869,365
117	Bills Receivable	25,234,574	26,241	0	0	25,208,333
118	Due from Subscribers and Agents	720,256	720,256	0	0	0
119	Accounts Receivable from System Corporations	11,368,776	7,083,305	0	0	B) 4,285,471
120	Miscellaneous Accounts Receivable	541,738	505,249	0	0	36,489
122	Materials and Supplies	5,343,326	5,343,326	0	0	0
124	Unmatured Interest, Dividends and Rents Receivable	3,533,880	0	0	0	B) 3,533,880
	Total Working Assets and Accrued Income	376,283,316	15,031,398	100,782,189	0	260,469,729
125	Sinking Fund Assets	970,495	0	0	0	970,495
126	Insurance and Other Reserve Fund Assets	163,192	0	0	0	163,192
128	Prepayments	184,967	177,909	0	0	7,058
136	Other Suspense	2,180,540	2,118,293	0	0	62,247
	Total Deferred Debit Items	3,499,194	2,296,202	0	0	1,202,992
	Grand Total	$3,179,063,657	$462,959,303	$360,885,683	$1,931,439,115	$423,779,556

* The column "License Contract Operations" includes certain relatively minor amounts of assets which may be considered allocable in part under "Permanent Investments in Licensee Companies" or under "Other Activities" of Company. On the other hand the columns "Permanent Investments in Licensee Companies" and "Other Activities" include items which are related to License Contract Operations.

Notes: A Separate subsidiary accounts are currently maintained showing assets devoted to Long Lines Department Operations.

B Includes non-interest bearing receivables from Licensee Companies.

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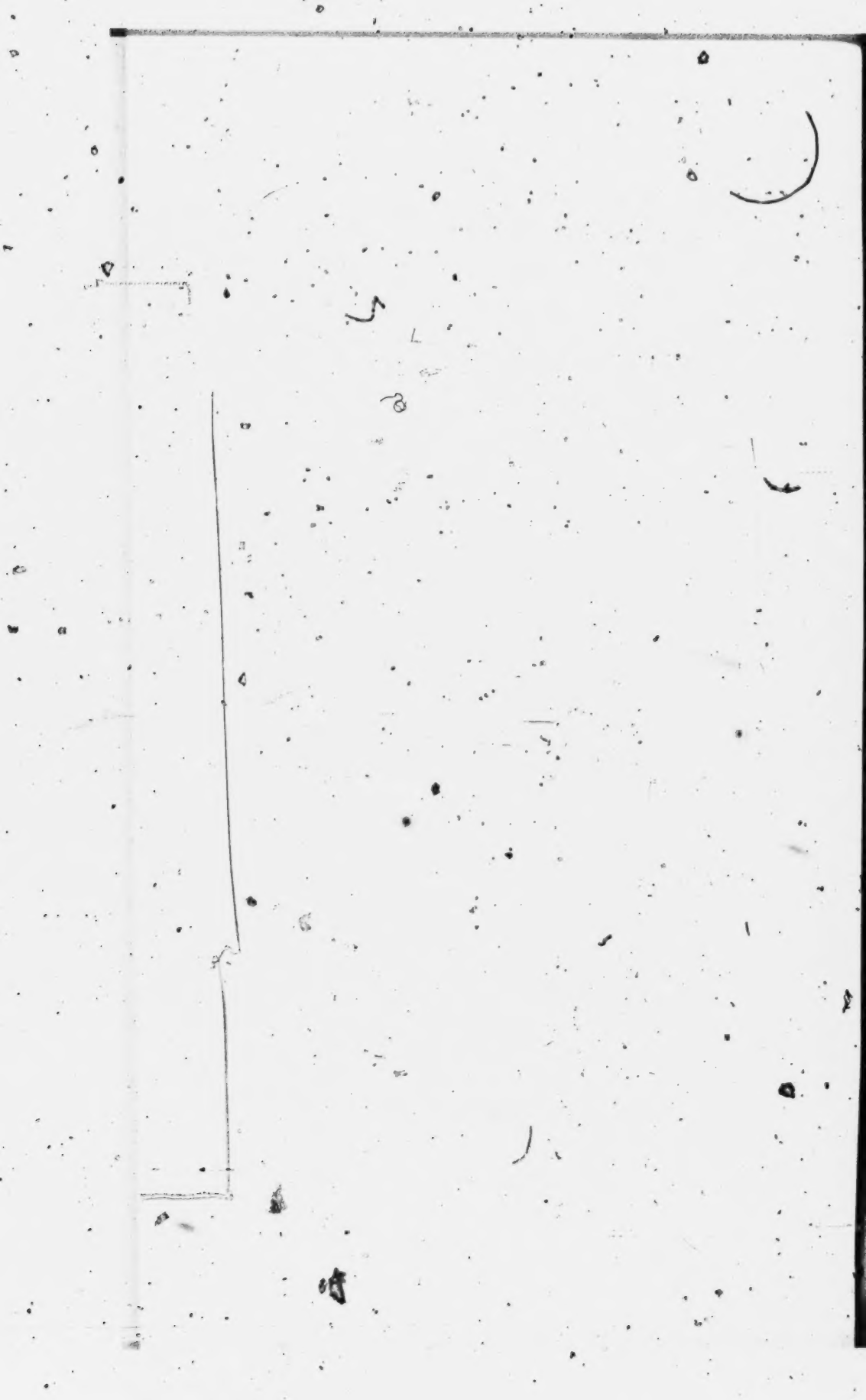

[fol. 4573]

EXHIBIT X-108

American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1920

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$442,209,900	49.78	$35,376,793	65.17	8.00
Capital stock premiums	47,900,923	5.39	.....	....	...
Total	$490,110,823	55.17	35,376,793	65.17	7.22
Surplus unappropriated and appropriated	90,021,464	10.14	.....	....	...
Total	$580,132,287	65.31	35,376,793	65.17	6.10
Funded debt	$300,495,819	33.83	18,449,811	33.99	6.14
Loans from Associated Companies	3,346,924	.38	216,614	.40	6.47
Loans from bankers	4,319,472	.48	241,752	.44	5.60
Total	$308,162,215	34.69	18,908,177	34.83	6.14
Grand Total	$888,294,502	100.00	54,284,970	100.00	6.11

NOTE.—Method for determining Average Cost of Funds is the same as used for the years 1923 to 1930.

Furnished by A. T. & T. Co. November 30, 1931.

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EXHIBIT X-108—Continued

[fol. 4574]

American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1921

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$486,477,500	51.56	$42,674,403	67.74	8.77
Capital stock premiums	48,517,007	5.14	.....	....	...
Total	534,994,507	56.70	42,674,403	67.74	7.98
Surplus unappropriated and appropriated	92,509,577	9.80	.....	....	...
Total	627,504,084	66.50	42,674,403	67.74	6.80
Capital stock installments	4,377,876	.47	303,187	.48	6.93
Total	631,881,960	66.97	42,977,590	68.22	6.80
Funded debt	294,229,989	31.18	18,735,705	29.74	6.37
Loans from Associated Companies	16,243,411	1.72	1,213,096	1.93	7.47
Loans from bankers	1,194,166	.13	71,650	.11	6.00
Total	311,667,566	33.03	20,020,451	31.78	6.42
Grand Total	$943,549,526	100.00	$62,998,041	100.00	6.68

NOTE.—Method for determining Average Cost of Funds is the same as used for the years 1923 to 1930.

Furnished by A. T. & T. Co. November 30, 1931.

[fol. 4575] American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1922

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$594,009,500	57.92	$52,971,252	74.81	8.92
Capital stock premiums	50,963,814	4.97	....	....	...
Total	$644,973,314	62.89	52,971,252	74.81	8.21
Surplus unappropriated and appropriated	95,275,942	9.29	.....	....	...
Total	$740,249,256	72.18	52,971,252	74.81	7.16
Capital stock installments	12,344,614	1.20	733,879	1.04	5.94
Total	$752,593,870	73.38	53,705,131	75.85	7.14
Funded debt	254,610,309	24.83	15,944,116	22.52	6.26
Loans from Associated Companies	18,401,428	1.79	1,156,879	1.63	6.29
Total	$273,011,737	26.62	17,100,995	24.15	6.26
Grand Total	$1,025,605,607	100.00	$70,806,126	100.00	6.90

NOTE.—Method for determining Average Cost of Funds is the same as used for the years 1923 to 1930.

Furnished by A. T. & T. Co. November 30, 1931.

EXHIBIT X-108—Continued

[fol. 4576]

American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1923

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$719,964,600.00	63.39	$63,274,388.10	81.08	8.79
Capital stock premiums	52,290,661.47	4.61	.....	...	...
Total	772,255,261.47	68.00	63,274,388.10	81.08	8.19
Surplus unappropriated and appropriated	110,176,041.50	9.70	.....	...	...
Total	882,431,302.97	77.70	63,274,388.10	81.08	7.17
Capital stock installments	19,431,657.60	1.71	1,444,818.88	1.85	7.44
Total	901,862,960.57	79.41	64,719,206.98	82.93	7.18
Funded debt	220,755,867.61	19.43	12,565,490.66	16.10	5.69
Loans from Associated Companies	13,121,234.70	1.16	752,339.56	.97	5.73
Total	$233,877,102.31	20.59	13,317,830.22	17.07	5.69
Grand Total	$1,135,740,062.88	100.00	78,037,037.20	100.00	6.87

July 6, 1931.

[fol. 4577]

American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1924

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$805,145,900.00	62.31	$70,918,227.27	80.18	8.81
Capital stock premiums	53,324,737.39	4.13	.....	....	...
Total	858,470,637.39	66.44	70,918,227.27	80.18	8.26
Surplus unappropriated and appropriated	122,127,554.82	9.45	.....	....	...
Total	980,598,192.21	75.89	70,918,227.27	80.18	7.23
Capital stock installments	20,945,567.32	1.62	1,214,805.33	1.37	5.80
Total	1,001,543,759.53	77.51	72,133,032.60	81.55	7.20
Funded debt	261,296,556.84	20.22	14,648,567.22	16.56	5.61
Loans from Associated Companies	29,350,239.54	2.27	1,669,891.42	1.89	5.69
Total	290,646,796.38	22.49	16,318,458.64	18.45	5.61
Grand Total	$1,292,190,555.91	100.00	$88,451,491.24	100.00	6.85

July 6, 1931.

EXHIBIT X-108—Continued

[fol. 4578]

American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1925

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$911,181,400.00	60.82	$81,044,425.93	78.08	8.89
Capital stock premiums	54,387,652.56	3.63	.....	....	...
Total	965,569,052.56	64.45	81,044,425.93	78.08	8.39
Surplus unappropriated and appropriated	133,007,894.94	8.88	.....	....	...
Total	1,098,576,947.50	73.33	81,044,425.93	78.08	7.38
Capital stock installments	26,063,889.06	1.74	1,796,636.88	1.73	6.89
Total	1,124,640,836.56	75.07	82,841,062.81	79.81	7.37
Funded debt	357,960,608.61	23.89	20,086,703.31	19.35	5.61
Loans from Associated Companies	15,632,045.95	1.04	872,038.96	.84	5.58
Total	$373,592,654.56	24.93	$20,958,742.27	20.19	5.61
Grand Total	$1,498,233,491.12	100.00	$103,799,805.08	100.00	6.93

July 6, 1931.

[fol. 4579]

American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1926

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$979,026,200.00	61.07	$86,496,345.50	78.95	8.83
Capital stock premiums	55,541,177.20	3.46	.....	....	...
Total	1,034,567,377.20	64.53	86,496,345.50	78.95	8.36
Surplus unappropriated and appropriated	163,123,359.98	10.18	.....	....	...
Total	1,197,690,737.18	74.71	86,496,345.50	78.95	7.22
Capital stock installments	38,227,418.65	2.38	2,510,565.75	2.29	6.57
Total	1,235,918,155.83	77.09	89,006,911.25	81.24	7.20
Funded debt	360,153,241.89	22.47	20,167,929.09	18.41	5.60
Loans from associated companies	7,057,854.30	.44	380,849.28	.35	5.40
Total	367,211,096.19	22.91	20,548,778.37	18.76	5.60
Grand Total	$1,603,129,252.02	100.00	$109,555,689.62	100.00	6.83

July 6, 1931.

EXHIBIT X-108—Continued

[fol. 4580]

American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1927

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$1,093,242,000.00	62.43	$97,379,934.00	81.04	8.91
Capital stock premiums	58,818,404.81	3.36	.....	....	...
Total	1,152,060,404.81	65.79	97,379,934.00	81.04	8.45
Surplus unappropriated and appropriated	199,229,820.85	11.37	.....	....	...
Total	1,351,290,225.66	77.16	97,379,934.00	81.04	7.21
Capital stock installments	36,193,644.77	2.07	2,503,986.53	2.08	6.92
Total	1,387,483,870.43	79.23	99,883,920.53	83.12	7.20
Funded debt	358,438,455.78	20.47	19,970,018.58	16.62	5.57
Loans from associated companies	5,324,906.63	.30	313,104.51	.26	5.88
Notes payable to pension fund trustees	3,468.18	.....	190.75	....	5.50
Total	363,766,830.59	20.77	20,283,313.84	16.88	5.58
Grand Total	$1,751,250,701.02	100.00	$120,167,234.37	100.00	6.86

July 6, 1931.

[fol. 4581]

American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1928

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$1,182,374,500.00	60.98	$103,821,439.95	81.81	8.78
Capital stock premiums	64,125,716.80	3.31	.....	....	...
Total	1,246,500,216.80	64.29	103,821,439.95	81.81	8.33
Surplus unappropriated and appropriated	287,300,618.04	14.82	.....	....	...
Total	1,533,800,834.84	79.11	103,821,439.95	81.81	6.77
Capital stock installments	44,209,630.21	2.28	2,989,456.47	2.35	6.76
Total	1,578,010,465.05	81.39	106,810,896.42	84.16	6.77
Funded debt	356,824,082.11	18.40	19,861,971.20	15.66	5.57
Loans from associated companies	1,541,483.67	.08	90,639.24	.07	5.88
Notes payable to pension fund trustees	2,637,250.91	.13	145,048.80	.11	5.50
Total	$361,002,816.69	18.61	20,097,659.24	15.84	5.57
Grand Total	$1,939,013,281.74	100.00	$126,908,555.66	100.00	6.55

July 6, 1931.

EXHIBIT X-108—Continued

[fol. 4582]

American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1929

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$1,311,374,600.00	59.31	$116,378,771.00	80.61	8.87
Capital stock premiums	67,883,544.55	3.07	.....	....	...
Total	1,379,258,144.55	62.39	116,378,771.00	80.61	8.44
Surplus unappropriated and appropriated	330,342,670.78	14.94	.....	....	...
Total	1,709,600,815.33	77.33	116,378,771.00	80.61	6.81
Capital stock installments	61,546,239.25	2.78	4,294,909.67	2.98	6.98
Total	1,771,147,054.58	80.11	120,673,680.67	83.59	6.81
Funded debt	428,159,082.87	19.37	23,060,237.22	15.97	5.39
Loans from associated companies	2,271,897.20	.10	132,732.00	.09	5.84
Loans from bankers	508,333.27	.02	27,958.33	.02	5.50
Notes payable to pension fund trustees	8,752,188.30	.40	481,370.36	.33	5.50
Total	$439,691,501.64	19.89	$23,702,297.91	16.41	5.39
Grand Total	$2,210,838,556.22	100.00	$144,375,978.58	100.00	6.53

July 6, 1931.

[fol. 4583]

American Telephone and Telegraph Company

Average Cost of Funds Used in Business, Year 1930

	Sources of funds		Dividends, interest and amortization charges		Average rate paid for funds (per cent)
	Average amount for year	Per cent	Amount	Per cent	
Capital stock	$1,585,669,600.00	57.73	$139,238,073.39	81.12	8.78
Capital stock premiums	207,419,729.56	7.55	.....	....	...
Total	1,793,089,329.56	65.28	139,238,073.39	81.12	7.77
Surplus unappropriated and appropriated	366,311,399.47	13.34	.....	....	...
Total	2,159,400,729.03	78.62	139,238,073.39	81.12	6.45
Capital stock installments	83,494,025.66	3.04	5,695,443.27	3.32	6.82
Total	2,242,894,754.69	81.66	144,933,516.66	84.44	6.46
Funded debt	481,799,323.05	17.54	25,472,548.21	14.84	5.29
Loans from associated companies	9,808,864.11	.36	576,761.21	.34	5.88
Loans from bankers	1,828,472.20	.07	93,611.11	.05	5.12
Notes payable to pension fund trustees	10,293,382.73	.37	566,136.05	.33	5.50
Total	$503,730,042.09	18.34	26,709,056.58	15.56	5.30
Grand Total	$2,746,624,796.78	100.00	$171,642,573.24	100.00	6.25

July 6, 1931.

[fol. 4584] EXHIBIT X-109

American Telephone and Telegraph Company

Computation of Annual Cost of Furnishing Telephone Instruments to Chicago Division of Illinois Bell Telephone Company, Year Ended December 31, 1923

	Totals all Licensees	Illinois Bell Telephone Company, Chicago Division
Average Stations in Service:		
All Licensees, using telephone instruments of A. T. & T. Co.	10,030,484	
Illinois Bell Telephone Co. — Chicago Division		660,927
Per cent, Chicago Division of all Licensees		6.589%
Average Investment in Telephone Instruments (Chi. Div. 6.589%)	$31,329,013	$2,064,269
Average Depreciation Reserve (Chi. Div. 6.589%)	14,971,542	986,475
Average Investment in Telephone Instruments, Less Average Depreciation Reserve	16,357,471	1,077,794
Return on Average Investment in Telephone Instruments, less Average Depreciation:		
Reserve at 6.87% (a)		74,044 (b)
Repairs (Chicago Division 6.589%)	1,086,422	71,584
Depreciation Expense (Chicago Div. 6.589%)	2,133,172	140,555
Taxes (actual)		54,720
Insurance & Contingencies (2% of Average Fixed Capital, Less Average Depreciation Reserve)		21,556
Total Annual Cost of Furnishing Instruments		$362,459

(a) Annual cost of funds.

(b) Return on average investment in telephone instruments (before deducting depreciation) amounts to $141,815.

[fol. 4585] EXHIBIT X-110

Illinois Bell Telephone Company, Chicago Division

Comparison of Company's Tabulation (R. 1038) of Annual Cost of Furnishing Telephone Instruments with Commission Accountants' Computation (as per sheet attached) of Annual Cost of Furnishing Telephone Instruments for the Year Ended December 31, 1923

	Company's tabulation (Record, Vol. III, p. 1038)	Commission accountants' computation (as per sheet following)	Excess of company's tabulation over Commission accountants' computation	
			Amount	Per cent
Average Investment in Telephone Instruments	$3,494,271	$2,064,269	$1,430.002	69.27
Average Depreciation Reserve	.....	986,475	986,475*	....
Average Investment in Telephone Instruments, Less Average Depreciation Reserve	$3,494,271	1,077,794	2,416,477	224.21
Return on Average Investment in Telephone Instruments	279,542	(a)	.....	....
Return on Average Investment in Telephone Instruments, Less Average Depreciation Reserve (b).	.....	74,044	205,498	360.31
Repairs	65,929	71,584	5,655*	8.57*
Depreciation	230,754	140,555	90,199	64.17
Taxes	62,897	54,720	8,177	14.94
Insurance and Contingencies	69,885	21,556	48,329	224.20
Total Annual Cost of Furnishing Tel. Instruments	709,007	362,459	346,548	95.61
Average Cost of Furnishing Instruments per Telephone Station in Service	1.07	.55	.52	
Average Investment in Tel. Instruments per Telephone Station in Service	5.29	3.12	2.17	
Average Investment in Tel. Instruments, Less Average Depreciation Reserve, Per Tel. Station in Service	...	1.63	3.66	

* Red Figures (Excess of Commission Accountants' Computation over Co.'s Tabulation).

(a) The return on Average Investment in telephone instruments, before deducting depreciation, is $141,815.

(b) "Return on Average Fixed Capital Less Average Depreciation Reserve" was computed for the purpose of this exhibit at the rate of 6.87%; this per cent is represented by the A. T. & T. Co. to have been the rate paid by it on funds used in its business in the year 1923 which were derived from its funded and other indebtedness and from its capital and surplus. Such cost of funds includes dividends at the rate of 9% per annum.

[fol. 4586] EXHIBIT X-111

American Telephone and Telegraph Company

Amount of Return on Investment in Telephone Instruments Shown by Company's Tabulation (Record 1098) Related to Amount of Investment in Telephone Instruments Shown by Commission Accountants' Computation During Year Ended December 31, 1923

(1) Average investment in telephone instruments, less depreciation	$1,077,794
(2) Return on average investment at rate of cost of funds (6.87%)	$74,044
(3) Additional profit to A. T. & T. Co., to corporate surplus	346,548
(4) Total return	$429,592
(5) Per cent of return on investment (item 4 to item 1)	39.02%
(6) Per cent of return on investment expressed in per cent of return to A. T. & T. Co. stockholders on their average capital stock investment	59.53%

EXHIBIT X-112

American Telephone and Telegraph Company

Per Cent of Return on Investment in Telephone Instruments Used by Illinois Bell Telephone Company, Chicago Division, per Exhibit A-200, "Fair Allowance for Telephone Instruments in Chicago Division (Exhibit A-163), Less Costs Already Included in *** (Costs Shown in Exhibit A-170)", During Years 1923 to 1927, Inclusive

Item	Reference	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927
(1) Net Investment in Telephone Instruments—A. T. & T. Co.	A-166	$16,318,631	$18,920,431	$20,985,998	$23,098,337	$22,407,037
(2) Investment Allocated to Long Lines	A-166	9,791	11,352	10,493	11,549	13,444
(3) Investment—Associated Companies	A-166	$16,308,840	$18,909,079	$20,975,505	$23,086,788	$22,393,593
(4) Investment Allocated to Chicago Division	A-166	1,076,383	1,229,090	1,363,408	1,500,641	1,477,977
(5) Return on Investment—Chicago Division	A-166	73,948	84,193	94,484	102,494	101,389
(6) Per Cent of Return on Investment—Chicago Division	A-166 (a)	6.87%	6.85%	6.93%	6.83%	6.86%
(7) Additional Return on Investment—Chicago Division, included in A-200 as part of the fair allowance on telephone instruments	A-200 (b)	145,625	171,477	180,952	172,674	154,474
(8) Per Cent of Additional Return on Investment—Chicago Division (Item 7 divided by Item 4)	.....	13.53%	13.95%	13.27%	11.51%	10.45%
(9) Total Return on Investment—Chicago Division, Asked by Plaintiff (Item 5 plus Item 7)	.....	219,573	255,670	275,436	275,168	255,863
(10) Per Cent of Total Return on Investment—Chicago Division, Asked by Plaintiff (Item 9 divided by Item 4)	.....	20.40%	20.80%	20.20%	18.34%	17.31%
(11) Per Cent of Total Return on Investment—Chicago Division, Converted to Average Return to A. T. & T. Co. Stockholders on Their Proportionate Investment in Capital Stock	.....	30.13%	31.20%	30.71%	27.68%	25.65%

(a) Agrees with Plaintiff's Exhibit A-164—Cost of Funds Used in Business.
(b) Total shown by Exhibit A-163 less amounts shown for Chicago Division on Exhibits A-162 and A-166.

[fol. 4588] EXHIBIT X-121

American Telephone and Telegraph Company

Percentage Relationship of Book Value of Investment in Telephone Instruments to Depreciation Reserve for Telephone Instruments, Compared with per cent of Depreciation Deducted from Book Cost or Current Value New as the Basis for Sale to Long Lines and to Licensee Companies as of December 31, 1927.

Equipment Sold to	Book Cost	Reserve For Accrued Depreciation	Book Cost Less Reserve For Accrued Depreciation	Per Cent of Reserve For Accrued Depreciation To Book Cost
Long Lines	$35,893	$17,728	$18,165	49.39%
Licensee Companies	46,583,314	22,795,386	23,787,928	48.93%

Basis For Sale to	Book Cost	Depreciation Deducted	Sale Price	Per Cent of Depreciation Deducted From Book Value
Long Lines	$35,893	$17,728	$18,165	49.39%

Basis for Sale to	Current Val. New.	Depreciation Deducted	Sale Price	Per Cent Of Depreciation Deducted From Current Value New
Licensee Companies	47,729,659(a)	9,545,932(b)	38,183,727	20.00%
Profit on Sale to				Amount
Long Lines				
Licensee Companies:				
Appreciation of Plant (Net)			$917,076	
Clearance of Depreciation Reserve			13,478,723	$14,395,799

(a) Appreciation (Current Value New Less Book Cost)—$1,146,345.

(b) Depreciation applicable to amount of appreciation only at 20% would be $229,269. Depreciation applicable to the book cost at 20% would be $9,316,663. The difference between the book cost and the sale price is $8,399,587, which amounts to a deduction of 18.03% from the book cost.

[fol. 4589] EXTRACTS FROM EXHIBIT X-122

American Telephone and Telegraph Company

Investments in Capital Stocks of Licensee Companies as of Dec. 31, 1919, to 1930, Inclusive

Year Ended Dec. 31	Total—All Licensee Companies	
	A. T. & T. Holdings—Par Value	A. T. & T. Holdings—Book Value
1919	$462,008,060	$490,792,063
1920	501,990,185	524,445,955
1921	587,779,257	609,628,197
1922	643,645,207	662,529,359
1923	726,427,207	748,545,932
1924	870,208,207	896,499,181
1925	989,382,307	1,027,448,630
1926	1,131,795,307	1,173,871,374
1927	1,305,736,507	1,347,823,006
1928	1,443,134,057	1,498,895,556
1929	1,512,981,807	1,569,443,857
1930	1,720,202,857	1,778,062,693

Exhibit from which these extracts were taken showed the same data for each licensee company shown in these extracts for Illinois Bell Telephone Company.

EXHIBIT X-123

American Telephone and Telegraph Company

Dividend Rates of Licensee Companies During Years 1914 to 1930, Inclusive

Name of Company	1914 (a)	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
Bell Telephone Co. of Pennsylvania	..	..	..	..	6	6	6	8	8	8	8	8	8	8	8	8	8
Central Union Telephone Co	0	0	0	0	0	0	0	..	..	..	..	..	..	..	..	..	..
Chesapeake & Potomac Tel Co. (Balt.)	..	..	..	..	..	..	..	..	6	6	6	8	8	8	8	8	8
Chesapeake & Potomac Tel. Co. (N. Y.)	..	..	..	..	..	..	..	..	..	8	8	8	8	8	8	8	8
Chesapeake & Potomac Tel. Co. (Va.)	..	..	..	..	..	..	..	..	..	7½	7½	6	6	6	7	8	8
Chesapeake & Potomac Tel. Co. (W. Va.)	..	..	..	..	..	..	..	..	0	7	3	6	6	6	6	6	4
Cincinnati & Suburban Bell Tel. Co.	..	..	4	22½	8	8	8	8	8	8	8	8	8	9	9	9	9
Cumberland Tel. & Tel. Co. (Ky.)	..	..	..	..	..	..	..	..	..	0	7	7	..	..	..	..	..
Diamond State Telephone Co	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	0	8
Illinois Bell Tel. Co. (b)	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Indiana Bell Tel. Co	..	..	..	..	..	..	0	0	0	0	0	0	4	6½	8	8	8
Iowa Tel. Co.	6	7	7	7	7	7	..	..	..	..	..	..	..	..	..	..	..
Michigan Bell Tel. Co. (Com.) (e)	6	0	0	0	0	0	0	0	0	6½	8	8	8	8	8	8	5
Michigan Bell Tel. Co. (Pfd.) (c)	6	6	6	6	6	4½	0	0	19½(f)	..	..	..	..	..	..	..	..
Mountain States Tel. Co	7	7	7	7	7	7	7	7	7	7	7	7	7¼	8	8	8	8
Nebraska Tel. Co.	6	6	7	7	7	7	..	..	..	..	..	..	..	..	..	..	..
New England Tel. & Tel. Co	7	7	7	7	7	7	7½	8	8	8	8	6	8	8	8	8	8
New Jersey Bell Tel. Co.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	8	8	8
New York Tel. Co	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Northwestern Bell Tel. Co	..	..	..	..	..	..	7¾	4	5	6	8	8	8	8	8	8	8
Northwestern Tel. Exchange	4	5	5	5	5	5	..	..	..	..	..	..	..	..	..	..	..
Ohio Bell Tel. Co. (Com.) (d)	0	0	5	2½	0	0	0	6	0	1	3	6	6	6	7	7	6¼
Ohio Bell Tel. Co. (Pfd.) (d)	..	..	..	..	..	..	..	7	7	7	7	7	7	7	7	7	7
Pacific Tel. & Tel. Co. (Com.)	0	0	0	0	0	0	0	0	0	0	0	6	7	7	7	7	7
Pacific Tel. & Tel. Co. (Pfd.)	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Pioneer Tel. & Tel. Co.	8	8	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Southern Bell Tel. & Tel. Co	6	6	6	6	6	6	6	6	6	7¾	8	8	8	8	8	8	8
Southern New England Tel. Co.	..	..	4½	7	7	7	7½	8	8	8	8	8	8	8	8	8	8
Southwestern Bell Tel. Co. (e)	0	0	0	5	5	5	6	7½	8	8	8	8	8	8	8	8	8
Southwestern Tel. & Tel. (N. Y.)	6	5	5	5	5	5	..	..	..	..	..	..	..	..	..	..	..
Wisconsin Tel. Co.	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8

(a) Year 1914 covers year ending June 30th, 1914. Begining with 1915, data covers period from January 1st to December 31st.
(b) Chicago Telephone Company prior to 1920.
(c) Michigan State Tel. Co. prior to 1924.
(e) Missouri & Kansas Telephone Company prior to 1916.
(d) Cleveland Telephone Co. prior to 1920.
(f) Dividend applicable to 3 months of 1919, year 1920, year 1921, and year 1922.

[fol. 4591] EXTRACTS FROM EXHIBIT X-124

American Telephone and Telegraph Company

Capital Stock Holdings in Licensee Companies Showing Dividend Rates and Yields Thereon During Years 1920 to 1930 (Inclusive)

Year Ended Dec. 31	Average A. T. & T. Co. Stock Holdings Par Value	Average A. T. & T. Co. Stock Holdings— Book Value	Dividend Rate on Average A. T. & T. Stock Holdings— Par Value	Yield to A. T. & T. on Average Stock Holdings— Book Value
Illinois Bell Telephone Company:				
1920	$39,377,800	$46,462,494	8.00%	6.78%
1921	44,355,350	51,440,543	8.00	6.90
1922	49,367,225	56,452,540	8.00	7.00
1923	59,314,500	66,410,793	8.00	7.15
1924	66,750,950	74,851,757	8.00	7.13
1925	69,242,100	76,342,269	8.00	7.26
1926	79,214,500	86,330,488	8.00	7.34
1927	86,661,900	92,088,083	8.00	7.33
1928	109,016,750	114,461,965	8.00	7.62
1929	109,017,675	114,463,353	8.00	7.62
1930	128,872,200	134,335,909	8.00	7.67
Total—All Licensee Companies:				
1920	$445,976,720	$472,550,756	6.52%	6.15%
1921	515,787,829	539,170,232	6.66	6.37
1922	609,810,837	630,159,926	6.64	6.43
1923	694,378,429	715,359,946	6.85	6.65
1924	792,301,211	816,822,587	7.18	6.97
1925	932,451,415	969,909,008	7.32	7.03
1926	1,090,807,284	1,126,557,405	7.59	7.35
1927	1,185,110,831	1,227,186,809	7.66	7.39
1928	1,369,268,107	1,419,568,937	7.75	7.48
1929	1,471,882,257	1,527,994,644	7.76	7.48
1930	1,645,112,721	1,702,330,420	7.51	7.26

Exhibit from which these extracts were taken showed the same data for each licensee company shown in these extracts for Illinois Bell Telephone Company.

[fol. 4592] EXTRACTS FROM EXHIBIT X-126

American Telephone and Telegraph Company

Dividend Yields on Investments in Capital Stocks of Licensee Companies During Years 1920 to 1930 (Inclusive)

Year Ended Dec. 31	Average Yield to A. T. & T. Co. on Book Value of Stock Holdings in Licensee Cos.	Average Yield to A. T. & T. Co. on Book Value of Stock Holdings in Licensee Cos. (Exclusive of I. B. T. Co.)
1920	6.15%	6.08%
1921	6.37	6.31
1922	6.43	6.37
1923	6.65	6.59
1924	6.97	6.95
1925	7.03	7.01
1926	7.35	7.35
1927	7.39	7.38
1928	7.48	7.47
1929	7.48	7.47
1930	7.26	7.22

[fol. 4593] EXTRACTS FROM EXHIBIT X-127

Average Return to A. T. & T. Co. from Dividends on its Investments in Capital Stocks of Licensee Companies Converted into Average Return to Stockholders of A. T. & T. Co. on their Investments in Capital Stock of A. T. & T. Co. During Years 1920 to 1930 (Inclusive)

Year Ended Dec. 31	Average Yield on Stock Holdings in Illinois Bell Telephone Company	Average Yield on Stock Holdings in all Licensee Companies	Average Yield on Stock Holdings in all Licensee Companies exclusive of Illinois Bell Tel. Co.
1920	9.34%	8.08%	7.94%
1921	9.21	8.19	8.07
1922	9.08	8.10	7.99
1923	9.23	8.44	8.35
1924	9.26	9.00	8.97
1925	9.44	9.06	9.03
1926	9.66	9.68	9.68
1927	9.98	9.76	9.74
1928	10.54	10.32	10.30
1929	10.71	10.47	10.45
1930	11.24	10.53	10.46

Exhibits from which these extracts were taken showed the same data for each licensee company shown in these extracts for Illinois Bell Telephone Company.

[fol. 4594] EXTRACTS FROM EXHIBIT X-128

American Telephone and Telegraph Company

Profit on Investment in Capital Stocks of Licensee Companies During Years 1920 to 1930, Inclusive

Year Ended Dec. 31	Yield to A. T. & T. Co. On Book Value of Stock Holdings %	Cost of Funds to A. T. & T. Company %	Per Cent of Profit to A. T. & T. Company %	Amount of Profit to A. T. & T. Company On Stock Holdings
Illinois Bell Telephone Company:				
1920	6.78	6.11	.67	$311,298.71
1921	6.90	6.68	.22	113,169.19
1922	7.00	6.90	.10	56,452.54
1923	7.15	6.87	.28	185,950.22
1924	7.13	6.85	.28	209,584.92
1925	7.26	6.93	.33	251,929.49
1926	7.34	6.83	.51	440,285.49
1927	7.53	6.86	.67	616,990.16
1928	7.62	6.55	1.07	1,224,743.03
1929	7.62	6.53	1.09	1,247,650.55
1930	7.67	6.25	1.42	1,907,569.91
Total—All Licensee Companies:				
1920	....	....	....	204,162.36
1921	....	....	....	1,683,768.03*
1922	....	....	....	2,961,123.51*
1923	....	....	....	1,599,965.72*
1924	....	....	....	948,646.41
1925	....	....	....	1,000,968.79
1926	....	....	....	5,823,638.44
1927	....	....	....	6,540,468.65
1928	....	....	....	13,172,269.29
1929	....	....	....	14,490,776.06
1930	....	....	....	17,136,008.97
Total—All Licensee Companies Exclusive of Ill. Bell Tel. Co..				
1920	....	....	....	107,136.35*
1921	....	....	....	1,796,937.22*
1922	....	....	....	3,017,576.05*
1923	....	....	....	1,785,915.94*
1924	....	....	....	739,061.49
1925	....	....	....	749,039.30
1926	....	....	....	5,383,352.95
1927	....	....	....	5,923,478.49
1928	....	....	....	11,947,526.26
1929	....	....	....	13,243,125.51
1930	....	....	....	15,228,439.06

* Red Figures (Losses).

NOTE.—Unless otherwise specifically designated, "A. T. & T. holdings" refer to Common Stock.

(a) "Cost of funds to A. T. & T. Co." is the annual amount which the A. T. & T. Co. represents was paid by it currently on funds used in its business which were derived from its funded and other indebtedness, and from its capital and surplus. The annual cost of funds includes dividends paid by the A. T. & T. Co. at the rate of 8% for the 1920 and for the first six months of 1921, and at the rate of 9% thereafter. The cost, as used above, was translated into a percentage of the funds.

(b) Profit or loss to A. T. & T. Co., as herein used, is the amount received by A. T. & T. Co. in excess of or less than its cost of funds as defined above.

Exhibit from which these extracts were taken showed the same data for each licensee company shown in these extracts for Illinois Bell Telephone Company.

[fol. 4595]

EXHIBIT X-129

American Telephone and Telegraph Company

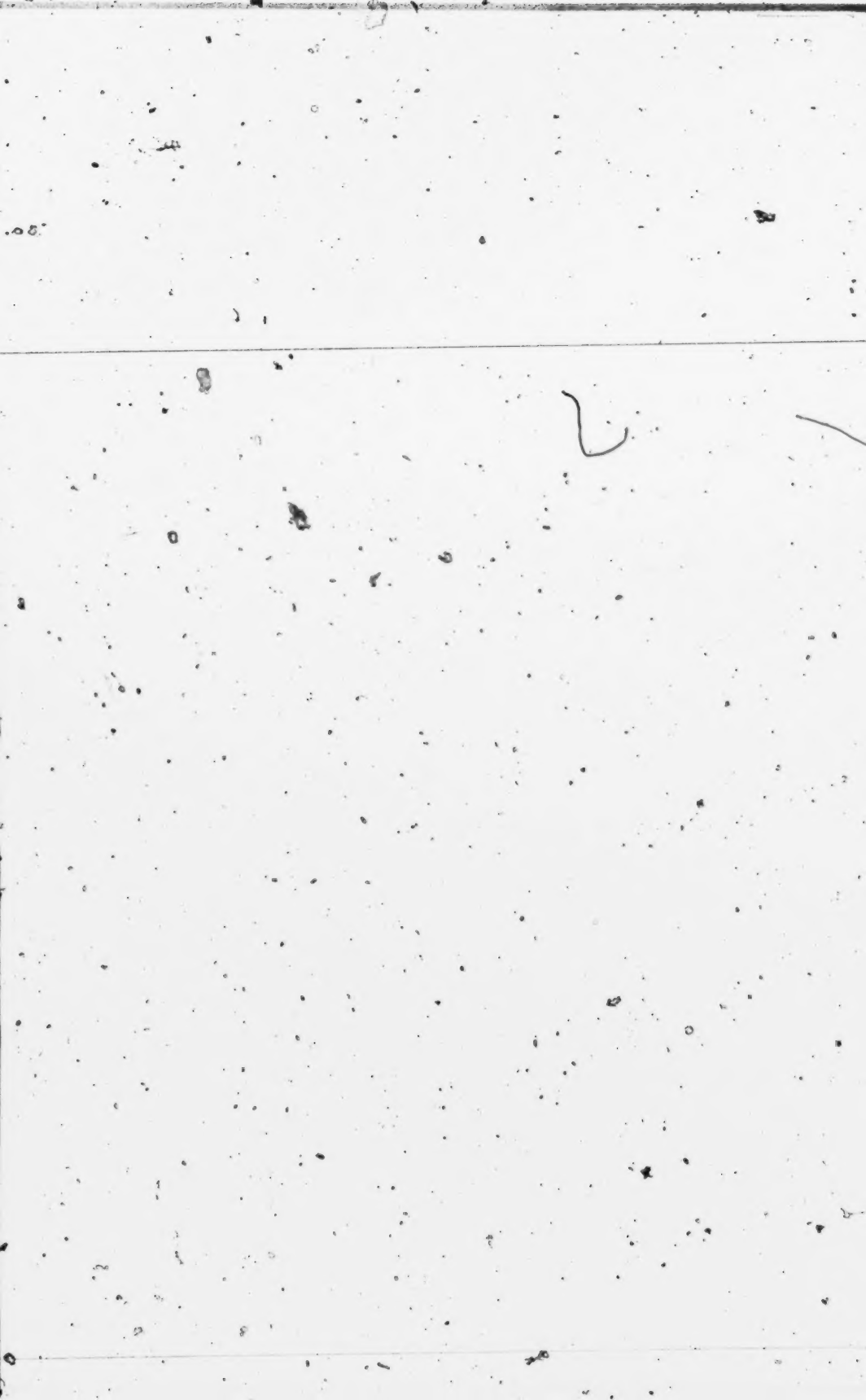
Ratio of Capital Stock Holdings in Illinois Bell Telephone Co. to Capital Stock Holdings in All Licensee Companies, Ratio of Profit on Stock Holdings in Illinois Bell Telephone Co. to Profit on Stock Holdings in All Licensee Companies, and Percentages of Profit on Stock Holdings During Years 1920 to 1922, Inclusive

		Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
1	Capital Stock Holdings in Illinois Bell Telephone Co	$46,462,494	$51,440,543	$56,452,540
2	Capital Stock Holdings in Other Licensee Companies	426,088,262	487,729,689	573,707,386
3	Capital Stock Holdings in All Licensee Companies	472,550,756	539,170,232	630,159,926
4	Profit on Capital Stock Holdings in Illinois Bell Telephone Co	311,298	113,169	56,452
5	Profit on Capital Stock Holdings in Other Licensee Companies	107,136*	1,796,937*	3,017,576*
6	Profit on Capital Stock Holdings in All Licensee Companies	204,162	1,683,768*	2,961,124*
7	Ratio of Capital Stock Holdings in Illinois Bell Telephone Co. to Capital Stock Holdings in All Licensee Companies	9.83%	9.54%	8.96%
8	Ratio of Profit of Illinois Bell Telephone Co. to Profit of All Licensee Companies	152.48%	(See Note)	(See Note)
9	Percentage of Profit on Stock Holdings in Illinois Bell Telephone Co	.67%	.22%	.10%
10	Percentage of Profit on Stock Holdings in Other Licensee Companies	.03%*	.31%*	.53%*
11	Percentage of Profit on Stock Holdings in All License Companies	.04%	.31%*	.4 %*

NOTE.—"Capital Stock Holdings" refers to the value recorded in the books of the A. T. T. Co. During the years 1921 and 1922 there was a profit on stock holdings of the Ill. Bell Tel. Co., but a net loss on the total stock holdings of All Licensee Companies.

* Indicates Red Figures (Losses).

(Here follows side folio 4596)



[fol. 4596]

American Telephone and Telegraph Company

Ratio of Capital Stock Holdings in Illinois Bell Telephone Co. to Capital Stock Holdings in All Licensee Companies, Ratio of Profit on Stock Holdings in Illinois Bell Telephone Co. to Profit on Stock Holdings in All Licensee Companies, and Percentages of Profit on Stock Holdings, During Years 1923 to 1930, Inclusive.

		Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
1	Capital Stock Holdings in Illinois Bell Tel. Co.	$66,410,793	$74,851,757	$76,342,269	$86,330,488	$92,088,083	$114,461,965	$114,463,353	$134,335,909
2	Capital Stock Holdings in Other Licensee Companies	648,949,153	741,970,830	893,566,739	1,040,226,917	1,135,098,726	1,305,106,972	1,413,531,291	1,567,994,511
3	Capital Stock Holdings in All Licensee Companies	715,359,946	816,822,587	969,909,008	1,126,557,405	1,227,186,809	1,419,568,937	1,527,994,644	1,702,330,420
4	Profit on Capital Stock Holdings in Ill. Bell Tel. Co.	185,950	209,585	251,930	440,285	616,990	1,224,743	1,247,651	1,907,570
5	Profit on Capital Stock Holdings in Other Licensee Companies	1,785,916*	739,061	749,039	5,383,353	5,923,479	11,947,526	13,243,125	15,228,439
6	Profit on Capital Stock Holdings in All Licensee Companies	1,599,966*	948,646	1,000,969	5,823,638	6,540,469	13,172,269	14,490,776	17,136,009
7	Ratio of Capital Stock Holdings in Ill. Bell Tel. Co. to Capital Stock Holdings in all Licensee Companies	9.28%	9.16%	7.87%	7.66%	7.50%	8.06%	7.49%	7.89%
8	Ratio of Profit of Illinois Bell Telephone Co. to Profit of All Licensee Companies	(See Note)	22.09%	25.17%	7.56%	9.43%	9.30%	8.61%	11.13%
9	Percentage of Profit on Stock Holdings in Illinois Bell Telephone Co.	.28%	.28%	.33%	.51%	.67%	1.07%	1.09%	1.42%
10	Percentage of Profit on Stock Holdings in Other Licensee Companies	.28%*	.10%	.08%	.52%	.52%	.92%	.94%	.97%
11	Percentage of Profit on Stock Holdings in All Licensee Companies	.22%*	.12%	.10%	.52%	.53%	.93%	.95%	1.01%

NOTE.—"Capital Stock Holdings" refers to the value recorded in the books of the A. T. T. Co. During the year 1923 there was a profit on stock holdings of the Ill. Bell Tel. Co. but a net loss on the total stock holdings of all Licensee companies.

* Indicates Red Figures (Losses).

(Here follow Exhibits X-130, X-131, X-132, X-133, and X-134, side folios 4597-4615)

EXHIBIT X-130

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

AMOUNTS REQUIRED IN ORDER TO RECEIVE THE SAME PER CENT OF RETURN ON INVESTMENT AS ARE EARNED ON INVESTMENT IN CAPITAL STOCK OF EACH SUBSCRIBING COMPANY AS COMPARED WITH INVESTMENT IN CAPITAL STOCK OF ILLINOIS BELL TELEPHONE COMPANY DURING THE YEARS 1920 TO 1922, INCLUSIVE

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Bell Telephone Company of Pennsylvania			
(1) Amount Required To Equal Average I.B.T.Co. Return	$ 59,372.86	$ -	$ -
(2) Amount In Excess Of Average I.B.T.Co. Return	-	81,366.88	73,832.91
Central Union Telephone Company			
(1) Amount Required To Equal Average I.B.T.Co. Return	226,929.18	-	-
(2) Amount In Excess Of Average I.B.T.Co. Return	-	-	-
Chesapeake & Potomac Telephone Co.(Baltimore)			
(1) Amount Required To Equal Average I.B.T.Co. Return	-	-	16,000.00
(2) Amount In Excess Of Average I.B.T.Co. Return	-	-	-
Chesapeake & Potomac Telephone Co.(W.Virginia)			
(1) Amount Required To Equal Average I.B.T.Co. Return	-	-	238,889.00
(2) Amount In Excess Of Average I.B.T.Co.Return	-	-	-
Cincinnati & Suburban Bell Telephone Company			
(1) Amount Required To Equal Average I.B.T.Co. Return	18,812.81	22,295.86	23,176.47
(2) Amount In Excess Of Average I.B.T.Co.Return	-	-	-
Indiana Bell Telephone Company			
(1) Amount Required To Equal Average I.B.T.Co.Return	287,889.72	709,780.37	845,675.04
(2) Amount In Excess Of Average I.B.T.Co.Return	-	-	-
Michigan State Telephone Company			
Common Stock			
(1) Amount Required To Equal Average I.B.T.Co.Return	434,642.95	442,406.40	448,842.03
(2) Amount In Excess Of Average I.B.T.Co.Return	-	-	-
Preferred Stock			
(1) Amount Required To Equal Average I.B.T.Co.Return	131,074.82	138,227.91	-
(2) Amount In Excess Of Average I.B.T.Co.Return	-	-	282,190.36
Mountain States Telephone Company			
(1) Amount Required To Equal Average I.B.T.Company Return	-	-	-
(2) Amount In Excess Of Average I.B.T.Co.Return	61,619.93	28,009.77	-
New England Telephone & Telegraph Company			
(1) Amount Required To Equal Average I.B.T.Co.Return	52,014.72	-	-
(2) Amount In Excess Of Average I.B.T.Co.Return	-	91,025.76	47,680.16
New York Telephone Company			
(1) Amount Required To Equal Average I.B.T.Co.Return	712,500.00	831,665.47	581,260.80
(2) Amount In Excess Of Average I.B.T.Co.Return	-	-	-
Northwestern Bell Telephone Company			
(1) Amount Required To Equal Average I.B.T.Co.Return	-	1,118,345.44	740,141.35
(2) Amount In Excess Of Average I.B.T.Co.Return	180,900.00	-	-

Continued on next page.

XII

X-130

Sheet 7

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

AMOUNTSREQUIRED IN ORDER TO RECEIVE THE 6 PER CENT OF RETURN ON INVESTMENT IN CAPITAL STOCK OF EACH LICENSEE COMPANY AS RECEIVED FROM INVESTMENT IN CAPITAL STOCK OF ILLINOIS BELL TELEPHONE COMPANY (CONT'D) DURING YEARS 1920 TO 1922, INCLUSIVE

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Ohio Bell Telephone Company			
Common			
(1) Amount Required To Equal Average I.B.T.Co.Return	$ 451,450.03	$ -	$ 1,644,926.15
(2) Amount In Excess Of Average I.B.T.Co.Return	-	119,994.32	-
Preferred			
(1) Amount Required To Equal Average I.B.T.Co.Return	-	-	-
(2) Amount In Excess Of Average I.B.T.Co.Return	-	4,686.43	102,359.58
Pacific Telephone & Telegraph Company (Common)			
(1) Amount Required To Equal Average I.B.T.Co.Return	134,183.52	173,778.85	196,005.25
(2) Amount In Excess Of Average I.B.T.Co. Return	-	-	-
Preferred			
(1) Amount Required To Equal Average I.B.T.Co.Return	179,016.24	206,557.20	223,117.22
(2) Amount In Excess Of Average I.B.T.Co. Return	-	-	-
Southern Bell Telephone Company			
(1) Amount Required To Equal Average I.B.T.Co. Return	68,476.85	122,591.90	150,453.69
(2) Amount In Excess Of Average I.B.T.Co.Return	-	-	-
Southern New England Telephone Company			
(1) Amount Required To Equal Average I.B.T.Co.Return	-	-	-
(2) Amount In Excess Of Average I.B.T.Co. Return	8,961.90	34,936.42	34,761.28
Southwestern Bell Telephone Company			
(1) Amount Required To Equal Average I.B.T.Co.Return	129,604.96	-	-
(2) Amount In Excess Of Average I.B.T.Co.Return	-	477,361.13	929,946.04
Wisconsin Telephone Company			
(1) Amount Required To Equal Average I.B.T.Co.Return	-	-	-
(2) Amount In Excess Of Average I.B.T.Co.Return	72,539.13	58,304.16	46,433.24
Totals - All Companies			
(1) Amount Required To Equal Average I.B.T.Co.Return	3,285,966.66	3,765,649.40	5,108,487.00
(2) Amount In Excess Of Average I.B.T.Co. Return	324,040.96	895,706.67	1,517,203.57
Net Amount Required To Equal Average I.B.T.Co.Return	2,961,927.70	2,869,942.53	3,591,283.43

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

AMOUNTS REQUIRED IN ORDER TO RECEIVE THE SAME PER CENT OF RETURN ON INVESTMENT IN CAPITAL STOCK OF EACH LICENSEE COMPANY AS RECEIVED FROM INVESTMENT IN CAPITAL STOCK OF ILLINOIS BELL TELEPHONE COMPANY DURING THE YEARS 1923 to 1930, INCLUSIVE

	Year Ended Dec. 31 1923	Year Ended Dec. 31 1924	Year Ended Dec. 31 1925	Year Ended Dec. 31 1926	Year Ended Dec. 31 1927	Year Ended Dec. 31 1928	Year Ended Dec. 31 1929	Year Ended Dec. 31 1930
Bell Telephone Company of Pennsylvania								
(1) Amount required to equal average I.B.T.Co. return	$	$	$	$	$ 103,579.26	$ 181,263.70	$ 155,237.28	$ 183,000.50
(2) Amount in excess of average I.B.T.Co. return	62,531.95	133,913.66	129,474.07	60,421.24				
Chesapeake and Potomac Telephone Company (Baltimore)								
(1) Amount required to equal average I.B.T.Co. return	204,456.60	298,274.59				11,316.86	11,316.86	20,360.26
(2) Amount in excess of average I.B.T.Co. return			20,506.38	5,592.65	14,146.08			
Chesapeake and Potomac Telephone Company (New York)								
(1) Amount required to equal average I.B.T.Co. return					14,000.00	26,600.00	26,600.00	31,900.00
(2) Amount in excess of average I.B.T.Co. return	15,944.43	42,000.00	23,800.00	12,600.00				
Chesapeake and Potomac Telephone Company (Virginia)								
(1) Amount required to equal average I.B.T.Co. return			113,400.00	120,600.00	201,960.00	81,880.00		
(2) Amount in excess of average I.B.T.Co. return	25,107.94	33,300.00					50,160.00	47,520.00
Chesapeake and Potomac Telephone Company (West Virginia)								
(1) Amount required to equal average I.B.T.Co. return	14,372.03	433,650.00	132,300.00	159,795.00	247,860.00	262,440.00	262,440.00	594,540.00
(2) Amount in excess of average I.B.T.Co. return								
Cincinnati and Suburban Bell Telephone Company								
(1) Amount required to equal average I.B.T.Co. return	26,980.87	23,467.65	26,376.95	5,406.23				
(2) Amount in excess of average I.B.T.Co. return					37,857.63	39,978.02	47,560.43	54,617.79
Cumberland Telephone and Telegraph Company (Kentucky)								
(1) Amount required to equal average I.B.T.Co. return	554,096.40	10,074.48	82,081.63					
(2) Amount in excess of average I.B.T.Co. return								
Diamond State Telephone Company								
(1) Amount required to equal average I.B.T.Co. return							121,920.00	43,095.00
(2) Amount in excess of average I.B.T.Co. return								
Indiana Bell Telephone Company								
(1) Amount required to equal average I.B.T.Co. return	663,796.65	861,376.87	1,333,986.61	946,185.60	322,751.36			
(2) Amount in excess of average I.B.T.Co. return						70,346.85	70,346.85	55,054.05
Indiana Bell Telephone Company (Common Stock)								
(1) Amount required to equal average I.B.T.Co. return	159,400.64							2,700,765.65
(2) Amount in excess of average I.B.T.Co. return		255,776.37	337,714.91	297,373.04	201,603.84	290,365.81	290,369.11	
Mountain States Telephone Company								
(1) Amount required to equal average I.B.T.Co. return	42,014.66							
(2) Amount in excess of average I.B.T.Co. return		34,412.70	72,825.41	126,269.34	29,364.96	2,936.50	2,936.50	7,067.82
New England Telephone and Telegraph Company								
(1) Amount required to equal average I.B.T.Co. return	17,338.24					21,675.43	21,675.43	82,440.17
(2) Amount in excess of average I.B.T.Co. return		55,677.99	965,956.52	150,782.23	43,350.87			

Continued on next page.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

AMOUNTS REQUIRED IN ORDER TO RECEIVE THE SAME PER CENT OF RETURN ON INVESTMENT IN CAPITAL STOCK OF EACH LICENSEE COMPANY AS RECEIVED FROM INVESTMENT IN CAPITAL STOCK OF ILLINOIS BELL TELEPHONE COMPANY (CONT'D)
DURING THE YEARS 1923 to 1930, INCLUSIVE

	Year Ended Dec. 31 1923	Year Ended Dec. 31 1924	Year Ended Dec. 31 1925	Year Ended Dec. 31 1926	Year Ended Dec. 31 1927	Year Ended Dec. 31 1928	Year Ended Dec. 31 1929	Year Ended Dec. 31 1930
New Jersey Bell Telephone Company								
(1) Amount required to equal average I.B.T.Co. return	$	$	$	$	$	$ 397,315.59	$ 661,561.83	$ 718,593.02
(2) Amount in excess of average I.B.T.Co. return								
New York Telephone Company								
(1) Amount required to equal average I.B.T.Co. return	944,548.80	896,110.80	1,210,960.00		425,012.47	698,234.77	698,234.77	752,486.02
(2) Amount in excess of average I.B.T.Co. return				151,789.40				
Northwestern Bell Telephone Company				0				
(1) Amount required to equal average I.B.T.Co. return	378,204.09							
(2) Amount in excess of average I.B.T.Co. return		471,738.44	549,143.77	350,009.30	224,534.27	165,098.73	165,098.72	132,076.98
Ohio Bell Telephone Company								
Common Stock								
(1) Amount required to equal average I.B.T.Co. return	1,395,637.33	820,113.18	53,198.00	454,700.94	770,633.65	465,255.43	550,505.74	1,420,586.97
(2) Amount in excess of average I.B.T.Co. return								
Preferred Stock								
(1) Amount required to equal average I.B.T.Co. return								
(2) Amount in excess of average I.B.T.Co. return	33,270.91	3,183.66	55,315.07	72,523.76	102,446.47	116,099.61	115,947.24	126,342.59
Pacific Telephone and Telegraph Company								
Common Stock								
(1) Amount required to equal average I.B.T.Co. return	213,368.51	228,869.11	252,179.79		91,320.19	218,822.98	218,822.98	619,740.88
(2) Amount in excess of average I.B.T.Co. return				101,562.14				
Preferred Stock								
(1) Amount required to equal average I.B.T.Co. return	276,037.79	301,494.03	397,101.84	262,979.62	369,290.53	419,648.33	419,648.33	447,624.89
(2) Amount in excess of average I.B.T.Co. return								
Southern Bell Telephone Company								
(1) Amount required to equal average I.B.T.Co. return								
(2) Amount in excess of average I.B.T.Co. return	380,959.92	544,344.80	488,624.46	456,758.41	309,799.62	244,349.47	313,460.96	278,994.68
Southern New England Telephone Company								
(1) Amount required to equal average I.B.T.Co. return								
(2) Amount in excess of average I.B.T.Co. return	30,209.76	40,117.02	38,307.48	32,804.24	20,260.44	16,222.32	20,369.39	16,118.43
Southwestern Bell Telephone Company								
(1) Amount required to equal average I.B.T.Co. return								
(2) Amount in excess of average I.B.T.Co. return	910,879.82	925,112.32	632,601.09	616,341.50	227,156.77	200,530.23	266,504.50	269,028.36
Wisconsin Telephone Company								
(1) Amount required to equal average I.B.T.Co. return								
(2) Amount in excess of average I.B.T.Co. return	28,574.30	72,609.62	79,778.24	9,375.96	140,903.46	155,433.29	147,256.56	156,119.18
Totals - All Companies								
(1) Amount required to equal average I.B.T.Co. return	5,090,452.61	5,913,046.67	4,695,681.36	2,157,838.45	2,789,757.44	3,055,946.24	3,411,167.02	7,897,563.13
(2) Amount in excess of average I.B.T.Co. return	1,487,479.05	2,574,590.22	2,495,950.20	2,239,034.15	1,108,074.48	1,038,827.93	1,246,801.46	860,480.11
Net Amount required to equal average I.B.T.Co. return	3,602,973.56	3,338,456.45	2,199,730.96	78,195.70*	1,681,682.96	2,017,118.31	2,164,365.56	7,037,083.02

* Red Figures

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EXHIBIT X-131

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

LOSSES ON LOANS TO LICENSEE COMPANIES PRORATED BETWEEN COMPANIES

YEARS 1920, 1921 AND 1922

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Average Loans During Each Year to All Licensees	$176,377,669.25	$191,286,020.14	$140,490,424.80
Losses on Loans Made To All Licensees	189,512.00	2,097,643.00	1,574,615.00
Per cent of Losses On Loans To Average Loans	.107446715	1.096600262	1.120798[illegible]
Bell Telephone Company of Pennsylvania (a)			
Average Loans From A.T. & T. Co.	1,810,313.08	-	-
Losses to A.T. & T. Co. On These Loans	1,945.12	-	-
Central Union Telephone Company			
Average Loans From A.T. & T. Co.	38,909,906.99	-	-
Losses To A.T. & T. Co. On These Loans	41,807.41	-	-
Chesapeake & Potomac Telephone Co. (a)			
Average Loans From A.T. & T. Co.	1,131,250.00	2,412,500.00	2,765,050.00
Losses to A.T. & T. Co. On These Loans	1,215.49	26,455.48	30,990.65
Cumberland Telephone & Telegraph Co.			
Average Loans From A.T. & T. Co.	7,741,105.38	7,818,330.38	8,227,080.38
Losses to A.T. & T. Co. On These Loans	8,317.56	85,735.83	92,209.02
Illinois Bell Telephone Company			
Average Loans From A.T. & T. Co.	1,522,830.95	3,200,000.00	741,462.50
Losses To A.T. & T. Co. On These Loans	1,635.59	35,091.21	8,310.30
Indiana Bell Telephone Company			
Average Loans From A.T. & T. Co.	7,631,250.00	11,348,750.00	13,763,312.50
Losses To A.T. & T. Co. On These Loans	8,414.42	124,450.42	154,259.04
Michigan State Telephone Company			
Average Loans From A.T. & T. Co.	18,358,045.83	21,850,198.18	17,874,665.63
Losses To A.T. & T. Co. On These Loans	19,725.12	239,609.33	200,339.04
Mountain States Telephone & Telegraph Co.			
Average Loans From A.T. & T. Co.	1,587,018.20	2,774,518.20	3,736,518.20
Losses to A.T. & T. Co. On These Loans	1,705.20	30,425.37	41,878.85
New England Telephone & Telegraph Co.			
Average Loans From A.T. & T. Co.	357,000.00	7,562,500.00	6,875,000.00
Losses to A.T. & T. Co. On These Loans	383.58	82,930.40	77,054.92
New York Telephone Co.			
Average Loans From A.T. & T. Co.	22,338,716.44	49,357,049.78	16,779,123.56
Losses to A.T. & T. Co. On These Loans	24,002.22	541,249.54	188,060.22

Continued on next sheet.

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Sheet 4

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
LOSSES ON LOANS TO LICENSEE COMPANIES PRO RATED BETWEEN COMPANIES (CONT'D)
YEARS 1920, 1921 and 1922

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Northwestern Bell Telephone Co.			
Average Loans From A.T. & T. Co.	$25,660,344.52	$10,866,211.13	$ 4,885,000.00
Losses to A.T. & T. Company on These Loans	27,571.21	119,158.90	54,751.02
Ohio Bell Telephone Company			
Average Loans From A.T. & T. Co.	8,850,000.00	19,127,500.00	6,005,000.00
Losses to A. T. & T. Company on These Loans	9,509.03	209,752.21	67,303.57
Pacific Telephone & Telegraph Co. (a)			
Average Loans From A.T. & T. Co.	7,812,500.00	12,860,000.00	12,974,356.25
Losses to A.T. & T. Company on These Loans	8,394.27	141,022.79	145,416.43
Southern Bell Telephone & Telegraph Co.			
Average Loans From A.T. & T.Co.	3,165,238.45	8,664,988.45	13,448,988.45
Losses to A.T. & T.Company on These Loans	3,400.94	95,020.29	150,736.10
Southern New England Telephone Co.			
Average Loans From A.T. & T.Co.	1,965,843.32	1,991,118.32	2,696,532.49
Losses to A.T. & T. Company on These Loans	2,112.23	21,834.61	30,222.70
Southwestern Bell Telephone Co.			
Average Loans From A.T. & T. Co.	25,885,118.61	27,803,061.22	27,299,761.22
Losses to A.T. & T. Company on These Loans	27,812.70	304,888.44	305,975.40
Wisconsin Telephone Company			
Average Loans From A.T. & T. Co.	1,451,794.48	3,649,294.48	2,418,573.62
Losses to A.T. & T. Company on These Loans	1,559.91	40,018.18	27,107.34

(a) Including Associated Companies

#"Losses on loans" is the difference between the interest received by the A.T.& T.Co. from licensee companies and the annual cost of the funds from which the loans were made. Such annual cost of funds is represented by the A.T.& T. Co. to be the amount which is paid by it currently on funds used in its business, which were derived from its funded and other indebtedness, and from its capital and surplus. The annual cost of funds includes dividends paid by the A.T.& T.Co. at the rate of 8% for the year 1920 and for the first six months of 1921 and at the rate of 9% thereafter.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
LOSSES ON LOANS TO LICENSEE COMPANIES, PROFIT AND LOSS ACCOUNT
YEARS 1923 TO 1930, INCLUSIVE

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	
Average Loans During Each Year To all Licensees	$124,615,454	$179,832,611	$231,494,350	$192,440,334	$194,312,996	$17
Losses On Loans Made To All Licensees #	1,535,913	2,260,603	2,606,279	2,095,365	1,839,609	
Per cent Of Loss On Loans To All Licensees	1.23%	1.26%	1.13%	1.09%	.95%	
Bell Telephone Company of Pennsylvania (a)						
Average Loans From A.T. & T. Co.	$ 3,012,500.00	$ 18,850,000.00	$ 24,900,000.00	-	$ 6,237,929.60	$
Losses To A.T. & T. Co. On These Loans	37,053.75	237,510.00	261,370.00	-	59,260.33	
Chesapeake and Potomac Telephone Companies (a)						
Average Loans From A.T. & T. Co.	4,982,069.37	4,592,019.56	11,735,769.57	17,729,519.57	3,506,250.00	
Losses to A.T. & T. Co. On These Loans	61,033.46	57,859.45	132,614.20	193,251.77	33,309.38	
Cumberland Telephone and Telegraph Co.						
Average Loans From A.T. & T. Co.	8,440,830.38	3,707,480.38	7,791,670.84	7,443,277.09	-	
Losses To A.T. & T. Co. On These Loans	103,822.21	46,714.25	88,045.88	81,131.72	-	
Illinois Bell Telephone Company						
Average Loans From A.T. & T. Co.	200,000.00	-	2,317,041.90	6,874,655.91	3,750,000.00	
Losses To A.T. & T. Co. On These Loans	2,460.00	-	26,182.57	74,933.75	35,625.00	
Indiana Bell Telephone Company						
Average Loans From A.T. & T.Co.	16,427,375.00	17,776,125.00	16,193,830.37	6,561,069.61	6,500,000.00	
Losses To A.T. & T. Co. On These Loans	202,056.71	223,979.18	182,990.28	71,515.66	61,750.00	
Michigan Bell Telephone Company						
Average Loans From A.T. & T. Co.	20,990,466.00	20,690,232.50	11,271,250.00	24,590,000.00	38,495,000.00	
Losses To A.T. & T. Co. On These Loans	258,182.72	260,696.93	127,365.13	268,031.00	365,702.50	
Mountain States Telephone and Telegraph Co.						
Average Loans From A.T. & T. Co.	3,468,575.50	1,524,302.00	1,225,000.00	1,375,000.00	1,486,500.00	
Losses to A.T. & T. Co. On These Loans	42,863.48	19,206.21	13,842.50	14,987.50	14,121.75	
New England Telephone and Telegraph Co.						
Average Loans From A.T. & T.Co.	3,437,500.00	19,859,100.00	37,919,200.00	13,000,000.00	-	
Losses To A.T. & T. Co. On These Loans	42,281.25	250,224.66	428,486.96	141,700.00	-	
New Jersey Bell Telephone Company						
Average Loans From A.T. & T.Co.	-	-	-	-	2,886,809.87	
Losses To A.T. & T. Co. On These Loans	-	-	-	-	27,424.69	

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
LOSSES ON LOANS TO LICENSE COMPANIES PROFIT AND LOSS ACCOUNTS
YEARS 1923 TO 1930, INCLUSIVE

Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
,615,454	$179,832,611	$231,494,350	$192,440,334	$194,312,996	$170,968,786	$245,788,267	$267,684,274
535,913	2,260,603	2,606,279	2,095,365	1,839,609	1,051,430	2,452,536	1,137,450
1.23%	1.26%	1.13%	1.09%	.95%	.61%	.998%	.425%
012,500.00	$ 18,850,000.00	$ 24,900,000.00	-	$ 6,237,929.60	$ 825,000.00	$ 9,075,000.00	$ 13,852,500.00
37,053.75	237,510.00	261,370.00	-	59,260.33	5,032.50	90,566.50	58,873.13
962,069.57	4,592,019.56	11,735,769.57	17,729,519.57	3,506,250.00	7,617,013.31	12,448,263.00	19,610,765.00
61,033.46	57,859.45	132,614.20	193,251.77	33,309.38	46,463.78	124,233.66	83,345.74
440,830.38	3,707,480.38	7,791,670.84	7,443,277.09	-	-	-	-
103,822.21	46,714.25	88,045.98	81,151.72	-	-	-	-
200,000.00	-	2,317,041.90	6,874,655.91	3,750,000.00	4,575,776.19	12,412,500.00	550,000.00
2,460.00	-	26,182.57	74,933.75	35,625.00	27,912.23	123,876.75	2,337.50
627,375.00	17,776,125.00	16,193,830.37	6,561,069.61	6,500,000.00	3,500,000.00	3,500,000.00	5,381,240.00
802,056.71	223,979.18	182,990.28	71,515.66	61,750.00	21,350.00	34,930.00	22,870.27
990,465.00	20,690,232.50	11,271,250.00	24,590,000.00	38,495,000.00	19,177,385.95	37,854,686.00	34,396,846.00
268,182.72	260,696.93	127,365.13	268,031.00	365,702.50	116,982.05	377,791.76	147,036.80
68,575.50	1,524,302.00	1,225,000.00	1,375,000.00	1,486,500.00	4,496,056.92	16,887,500.00	12,325,000.00
42,863.48	19,206.21	13,842.50	14,987.50	14,121.75	27,425.95	138,597.25	52,381.25
37,500.00	19,859,100.00	37,919,200.00	13,000,000.00	-	3,149,599.81	8,462,500.00	11,200,000.00
42,281.25	250,224.66	428,486.96	141,700.00	-	19,212.56	84,455.75	47,600.00
-	-	-	-	2,886,809.87	26,635,868.68	17,897,103.00	31,022,193.00
-	-	-	-	27,424.69	162,478.80	178,613.09	131,845.94

Losses to A.T. & T. Co. On These Loans	42,863.48	19,206.21	13,842.50	14.987.50	14,121.75
New England Telephone and Telegraph Co.					
Average Loans From A.T. & T.Co.	3,437,500.00	19,859,100.00	37,919,200.00	13,000,000.00	-
Losses To A.T. & T. Co. On These Loans	42,281.25	250,224.66	428,486.96	141,700.00	-
New Jersey Bell Telephone Company					
Average Loans From A.T. & T.Co.	-	-	-	-	2,886,809.87
Losses To A.T. & T. Co. On These Loans	-	-	-	-	27,424.69
New York Telephone Company					
Average Loans From A.T. & T.Co.	9,111,553.99	36,696,553.99	59,081,553.99	37,932,553.99	47,134,985.89
Losses To A.T. & T.Co. On These Loans	112,072.11	462,376.38	667,621.56	413,464.84	447,782.37

(Continued on Next Page)

42,863.48	19,206.21	13,842.50	14.987.50	14,121.75	27,425.95	138,597.25	52,381.25
637,500.00	19,859,100.00	37,919,200.00	13,000,000.00	-	3,149,599.81	8,462,500.00	11,200,000.00
42,281.25	250,224.66	428,486.96	141,700.00	-	19,212.56	84,455.75	47,600.00
-	-	-	-	2,886,809.87	26,635,868.68	17,897,103.00	31,022,103.00
-	-	-	-	27,424.69	162,478.80	178,613.09	131,845.94
111,553.99	36,696,553.99	50,081,553.99	37,932,553.99	47,134,985.89	17,915,309.73	22,675,000.00	46,750,000.00
112,072.11	462,376.56	667,621.56	413,464.84	447,782.37	109,283.39	238,296.50	198,687.50

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Dec 19
LOSSES ON LOANS TO [illegible] COMPANY AND [illegible] DURING YEARS 1923 TO 1930, INCLUSIVE					
Northwestern Bell Telephone Company					
Average Loans from A.T. & T. Co.	$ -	$ -	$ 4,512,500.00	$ 2,562,500.00	$ 75,0
Losses to A.T. & T. Co. on These Loans	-	-	50,991.25	27,931.25	7
Ohio Bell Telephone Company					
Average Loans from A.T. & T. Co.	$ 9,530,000.00	$ 12,853,107.94	$ 13,755,607.94	$ 10,531,107.94	$ 21,296,6
Losses to A.T. & T. Co. on These Loans	117,219.00	161,949.16	155,551.37	114,789.08	202,3
Pacific Telephone and Telegraph Co. (a)					
Average Loans from A.T. & T.Co.	11,362,500.00	33,468,750.00	34,588,600.00	46,375,000.00	34,998,7
Losses to A.T. & T. Co. on These Loans	139,758.75	421,706.25	390,851.18	505,487.50	332,4
Southern Bell Telephone and Telegraph Co.					
Average Loans from A.T. & T. Co.	10,934,678.84	2,240,000.00	2,454,750.00	7,257,420.18	14,558,1
Losses to A.T. & T. Co. on These Loans	134,496.55	28,224.00	27,738.68	79,105.88	136,3
Southwestern Bell Telephone Company					
Average Loans from A.T. & T. Co.	17,598,761.22	5,218,690.31	-	6,612,279.90	9,937,0
Losses to A.T. & T. Co. on These Loans	216,464.76	65,755.50	-	72,073.85	94,4
Southern New England Telephone Company					
Average Loans from A.T. & T. Co.	1,875,000.00	1,850,000.00	3,350,075.00	3,445,950.00	2,737,5
Losses to A.T. & T. Co. on These Loans	23,062.50	23,310.00	37,855.85	37,560.86	28,0
Wisconsin Telephone Company					
Average Loans from A.T. & T. Co.	3,263,644.00	506,250.00	387,500.00	150,000.00	712,5
Losses to A.T. & T. Co. on These Loans	40,142.82	6,378.75	4,378.75	1,635.00	6,7
Total Losses to A.T. & T. Co. on Loans as Prorated above (b)	$ 1,532,770.07	$ 2,265,890.92	$ 2,615,886.16	$ 2,097,599.66	$ 1,845,9

(a) Including Associated Companies

(b) Total losses on loans by companies, as shown in the foregoing computations, differ from the total losses to the A.T. & T. Co. listed as second item on first page of this Exhibit. This difference results from the method of applying percentages that were carried only two decimal points. The amounts of these yearly differences are as follows:

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AMERICAN [illegible] COMPANY

LOANS ON LOAN TO [illegible] AND ACCRUED INTEREST DUE THEREON (CONT'D)

YEARS 1923 TO 1930, INCLUSIVE

ed 1,	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
	$ -	$ 4,512,500.00	$ 2,562,500.00	$ 75,000.00	$ 561,284.70	$ 3,175,000.00	$21,577,390.00
	-	50,991.25	27,931.25	712.50	3,423.84	31,686.50	91,703.91
00	$ 12,853,107.94	$ 13,765,807.94	$ 10,531,107.94	$ 21,296,607.94	$ 5,659,859.03	$ 3,506,709.00	$ 9,275,000.00
00	161,949.16	155,551.37	114,789.08	202,317.78	34,525.14	34,996.96	39,418.75
00	33,468,750.00	34,588,600.00	46,375,000.00	34,998,725.00	41,551,880.48	63,526,880.00	38,626,630.00
75	421,706.25	390,851.18	505,487.50	332,487.89	253,466.47	633,998.26	155,853.18
84	2,240,000.00	2,454,750.00	7,257,420.18	14,558,127.41	18,700,822.91	26,435,676.00	382,500.00
55	28,224.00	27,738.68	79,105.88	138,302.21	114,073.80	263,828.04	1,540.65
22	5,218,690.31	-	6,612,279.90	9,937,059.81	9,182,089.53	5,375,000.00	10,525,000.00
76	65,755.50	-	72,073.85	94,402.07	55,888.75	53,642.50	44,731.25
00	1,850,000.00	3,350,075.00	3,445,950.00	2,737,500.00	5,105,654.04	4,900,000.00	6,879,300.00
50	23,310.00	37,855.85	37,560.86	28,006.25	31,144.49	48,902.00	29,237.03
0	506,250.00	387,500.00	150,000.00	712,500.00	2,335,384.89	656,250.00	7,150,006.00
2	6,378.75	4,378.75	1,635.00	6,768.75	14,246.85	6,549.38	30,387.30
7	$ 2,265,890.92	$ 2,615,886.16	$ 2,097,599.66	$ 1,845,973.47	$ 1,042,909.60	$ 2,452,966.90	$ 1,137,658.18

as shown in the foregoing computations, differ from the total losses to the A.T. & T. Co. listed as second item on first page of this Exhibit. This difference results from the method of applying percentages that were carried only two decimal points. The amounts of these yearly differences are as follows: $ 3,143 $ 5,288 $ 9,607 $ 2,235 $ 6,364

"Losses on Loans" is the difference between the interest received by the A.T.& T.Co. from licensee companies and the annual cost of the funds from which the loans were made. Such annual cost of funds is represented by the A.T.& T. Co. to be the amount which was paid by it currently on funds used in its business, which were derived from its funded and other indebtedness, and from its capital and surplus. The annual cost of funds includes dividends paid by the A. T.& T. Co. at the rate of 8% for the year 1920 and for the first six months of 1921 and at the rate of 9% thereafter.

143	$ 5,288	$ 9,607	$ 2,235	$ 6,364	$ 8,520	$ 431	$ 208

interest received by the A.T.& T.Co. from licensee companies
loans were made. Such annual cost of funds is represented by
by it currently on funds used in its business, which were
and from its capital and surplus. The annual cost of funds
the rate of 6% for the year 1920 and for the first six months

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Sheet 1

EXHIBIT X-132

AMERICAN TELEPHONE AND TELEGRAPH CO.

PROFIT OR LOSS ON INVESTMENTS IN LICENSEE COMPANIES

Years 1920, 1921 and 1922

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Bell Telephone Company of Pennsylvania			
(1) Profit to A.T. & T. Co. On Stock Holdings	9,018.66*	$ 97,941.61	$ 81,366.88
(2) Losses to A.T. & T. Co. On Loans	1,465.12	-	-
(3) Net Profit To A.T. & T. Co.	10,483.78	97,941.61	81,366.88
(4) Average A.T. & T. Stock Holdings Plus Average Loans	9,325,865.08	7,533,970.00	7,533,970.00
(5) Per cent Of Net Profit On Stock and Loans	.12%*	1.30%	1.08%
Central Union Telephone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	204,522.02*	-	-
(2) Losses to A.T. & T. Co. On Loans	41,807.41	-	-
(3) Net Profit to A.T. & T. Co.	246,311.43*	-	-
(4) Average A.T. & T. Stock Holdings Plus Average Loans	42,256,904.99	-	-
(5) Per cent Of Net Profit On Stock and Loans	.58%*	-	-
Chesapeake & Potomac Telephone Companies			
(1) Profit to A.T. & T. Co. On Stock Holdings	-	-	249,876.38*
(2) Losses to A.T. & T. Co. On Loans	1,215.38	26,455.48	30,990.65
(3) Net Profit to A.T. & T. Co.	1,215.38*	26,455.48*	280,866.97*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	1,131,250.00	2,412,500.00	7,777,750.00
(5) Per cent Of Net Profit on Stock and Loans	.11%*	.11%*	3.61%*
Cincinnati & Suburban Bell Telephone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	8,005.45	13,212.36*	18,719.45*
(2) Losses to A.T. & T. Co. On Loans	-	-	-
(3) Net Profit to A.T. & T. Co.	8,005.45	13,212.36*	18,719.45*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	4,002,726.00	4,128,863.00	4,457,013.00
(5) Per cent Of Net Profit on Stock and Loans	.20%	.32%*	.42%*
Cumberland Tele.hone & Telegraph Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	-	-	-
(2) Losses to A.T. & T. Co. On Loans	8,317.58	85,735.83*	92,209.02*
(3) Net Profit to A.T. & T. Co.	8,317.58	85,735.83*	92,209.02*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	7,741,105.38	7,818,330.38	8,227,080.38
(5) Per cent Of Net Profit on Stock and Loans	.1[illegible]	1.10%*	1.12%*
Illinois Bell Tele.hone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	311,298.71	113,169.19	56,452.54
(2) Losses to A.T. & T. Co. On Loans	1,635.58	35,091.77	8,310.30
(3) Net Profit to A.T. & T. Co.	309,553.12	78,077.58	48,142.24
(4) Average A.T. & T. Stock Holdings Plus Average Loans	47,964,724.95	54,640,525.00	57,194,002.50
(5) Per cent of Net Profit on Stock and Loans	.65	.14%	.08%
Indiana Bell Tele.hone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	359,440.4*	687,149.65*	833,593.97*
(2) Losses to A.T. & T. Co. On Loans	8,414.42	124,458.42	154,255.04
(3) Net Profit to A.T. & T. Co.	351,854.66*	811,608.11*	987,823.01*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	1,077,111.00	21,635,422.00	25,844,364.50
(5) Per cent of Net Profit on Stock and Loans	2.22%*	3.75%*	3.82%*

Continued on next page

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AMERICAN TELEPHONE AND TELEGRAPH CO.

PROFIT OR LOSS ON INVESTMENT IN LICENSE COMPANIES (CONT'D)
Years 1920,1921 and 1922

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Alabama State Telephone Company			
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 509,813.51*	$ 562,121.33*	$ 158,188.84*
(2) Losses to A.T. & T. Co. On Loans	19,725.12	239,609.33	200,339.04
(3) Net Profit to A.T. & T. Co.	529,538.63*	801,730.66*	358,527.88*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	26,701,965.83	30,765,186.18	26,337,496.63
(5) Per cent Of Net Profit On Stock And Loans	1.98%*	2.65%*	1.36%*
Arkansas States Telephone Company			
(1) Profit to A.T. & T. Co. on Stock Holdings	249,280.61	89,631.27	28,009.77
(2) Losses to A.T. & T. Co. on Loans	1,705.20	30,425.37	41,676.81
(3) Net Profit to A.T. & T. Co.	247,575.41	59,205.90	13,666.96*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	29,596,075.20	30,784,290.20	31,746,290.20
(5) Per cent Of Net Profit On Stock and Loans	.84%	.19%	.04%*
New England Tele hone and Telegra h Company			
(1) Profit to A.T. & T. Co. on Stock Holdings	238,400.81	186,386.09	21,025.76
(2) Losses to A.T. & T. Co. on Loans	383.58	82,930.40	17,026.82
(3) Net Profit to A.T. & T. Co.	238,017.23	103,455.69	3,998.94
(4) Average A.T. & T. Stock Holdings Plus Average Loans	43,702,602.00	50,908,102.00	50,220,602.00
(5) Per cent Of Net Profit On Stock and Loans	.54%	.20%	.03%
New York Tele hone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	543,750.00	396,031.18*	339,068.80*
(2) Losses to A.T. & T. Co. on Loans	24,002.22	541,249.54	188,060.22
(3) Net Profit to A.T. & T. Co.	519,747.78	937,280.72*	527,129.02*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	209,838,716.44	247,372,638.78	258,971,123.56
(5) Per cent Of Net Profit On Stock and Loans	.25%	.38%*	.20%*
Northwestern Bell Tele hone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	277,862.40	1,028,877.81*	699,474.24*
(2) Losses to A.T. & T. Co. on Loans	27,571.21	119,156.90	54,751.02
(3) Net Profit to A.T. & T. Co.	250,291.19	1,148,034.71*	754,225.26*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	40,132,344.52	51,533,318.13	45,552,107.00
(5) Per cent of Net Profit On Stock and Loans	.62%	2.23%*	1.66%*
Ohio Bell Tele hone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	767,309.69*	170,093.61	1,502,820.07*
(2) Losses to A.T. & T. Co. On Loans	9,509.03	209,752.21	67,303.97
(3) Net Profit to A.T. & T. Co.	776,818.72*	39,658.60*	1,570,124.04*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	21,408,260.00	39,768,803.00	45,751,498.00
(5) Per cent of Net Profit On Stock and Loans	3.63%*	.10 *	3.43%*
Pacific Tele hone and Telegra h Co.			
(1) Profit to A.T. & T. Co. on Stock Holdings	146,169.38*	324,303.51*	384,897.4 *
(2) Losses to A.T. & T. Co. On Loans	8,399.27	141,02 .79	145,416.43
(3) Net Profit to A.T. & T. Co.	154,563.65*	462,326.30*	530,313.87*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	32,747,408.00	38,339,334.00	47,199,391.25
(5) Per cent of Net Profit On Stock and Loans	.47%*	1.21%*	1.12%*

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AMERICAN TELEPHONE AND TELEGRAPH CO.

PROFIT OR LOSS ON INVESTMENTS IN LICENSEE COMPANIES (CONT'D)
Years 1920,1921 and 1922

	Year Ended Dec.31, 1920	Year Ended Dec.31, 1921	Year Ended Dec.31, 1922
Southern Bell Telephone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	$ 101,447.18	$ 61,295.95*	$ 122,591.90*
(2) Losses to A.T. & T. Co. On Loans	3,400.94	95,020.29	150,775.10
(3) Net Profit to A.T. & T. Co.	98,046.24	156,316.24*	273,367.00*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	28,527,033.45	36,526,783.45	41,310,783.45
(5) Per cent of Net Profit on Stock and Loans	.34%	.43% *	.66%*
Southern New England Telephone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	37,638.45	46,561.89	40,554.83
(2) Losses to A.T. & T. Co. On Loans	2,112.23	21,834.61	30,222.70
(3) Net Profit to A.T. & T.Co.	35,526.22	24,727.28	10,332.13
(4) Average A.T. & T. Stock Holdings Plus Average Loans	6,242,940.32	7,284,515.32	8,490,073.49
(5) Per cent of Net Profit on Stock and Loans	.57%	.34%	.12%
Southwestern Bell Telephone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	180,521.20	600,938.60	992,356.53
(2) Losses to A.T. & T. Co. on Loans	27,812.70	304,888.44	305,973.40
(3) Net Profit to A. T. & T. Co.	152,708.50	296,050.16	686,383.13
(4) Average A.T.& T.Stock Holdings Plus Average Loans	72,172,597.61	83,965,547.22	89,712,247.22
(5) Per cent of Net Profit on Stock and Loans	.21%	.35%	.77%
Wisconsin Telephone Company			
(1) Profit to A.T. & T. Co. On Stock Holdings	152,213.25	84,481.54	58,339.19
(2) Losses to A.T. & T. Co. On Loans	1,559.91	40,018.18	27,107.34
(3) Net Profit to A.T. & T. Co.	150,653.34	44,463.36	31,231.85
(4) Average A.T. & T. Stock Holdings Plus Average Loans	13,343,454.48	15,548,103.48	14,324,531.62
(5) Per cent of Net Profit on Stock and Loans	1.13%	.29%	.22%
Total All Licensee Companies			
(1) Total Profit to A.T. & T. Co. On Stock Holdings	204,162.36	1,683,768.03*	2,961,123.51*
(2) Total Losses to A.T. & T. Co. On Loans	189,512.00	2,097,643.00	1,574,615.00
(3) Net Profit to A.T. & T. Co. (Total)	14,650.36	3,781,411.03*	4,535,738.51*
(4) Total Average A.T. & T. Stock Holdings Plus Average Loans	648,928,426.25	730,456,252.14	770,650,350.80
(5) Composite Per cent of Net Profit on Stock and Loans	.00%	.52%	.59%*
Total All Licensee Companies exclusive of Ill.Bell Tel.Co.			
(1) Total Profit to A.T. & T. Co. On Stock Holdings	107,158.35*	1,796,937.22*	3,017,576.05*
(2) Total Losses to A.T. & T. Co. on Loans	187,876.41	2,062,551.79	1,566,304.70
(3) Net Profit to A.T. & T. Co.(Total)	295,012.76*	3,859,489.01*	4,583,880.75*
(4) Total Average A.T. & T. Stock Holdings Plus Average Loans	600,943,700.30	675,816,709.14	713,456,348.30
(5) Composite Per cent of Net Profit on Stock and Loans	.05%*	.57%*	.64%*

* Indicates Red Figures (Losses)

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
PROFIT OR LOSS ON INVESTMENTS IN LICENSED COMPANIES
FOR YEARS 1923 TO 1930, INCLUSIVE

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927
Bell Telephone Company of Pennsylvania					
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 83,627.07	$ 241,044.60	$ 414,317.04	$ 500,633.09	$ 474,738.27
(2) Losses to A.T. & T. Co. on Loans	37,053.75	237,510.00	281,370.00	-	59,260.33
(3) Net Profit to A.T. & T. Co.	46,573.32	3,534.60	132,947.04	500,633.09	415,477.94
(4) Average A.T. & T. Stock Holdings Plus Average Loans	10,546,470.00	57,111,047.00	111,216,050.00	86,316,050.00	92,553,980.00
(5) Per cent of Net Profit on Stock and Loans	.44%	.01%	.12%	.58%	.45%
Chesapeake and Potomac Telephone Companies					
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 78,684.88*	$ 510,628.54*	$ 29,324.49*	$ 10,990.17	$ 30,683.57
(2) Losses to A.T. & T. Co. on Loans	61,033.46	57,859.45	132,614.20	193,251.77	33,309.38
(3) Net Profit to A.T. & T. Co.	139,718.34*	568,488.99*	161,938.69*	182,261.60*	2,645.81*
(4) Average A.T. & T. Stock Holdings Plus Average Loans	40,351,848.00	56,734,182.00	63,877,932.00	71,296,681.00	75,198,412.00
(5) Per cent of Net Profit on Stock and Loans	.35%*	1.00%*	.25%*	.26%	-
Cincinnati and Suburban Bell Telephone Co.					
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 13,490.44*	$ 9,182.99*	$ 7,856.96*	$ 25,238.42	$ 78,118.92
(2) Losses to A.T. & T. Co. on Loans	-	-	-	-	-
(3) Net Profit to A.T. & T.Co.	13,490.44*	9,182.99*	7,856.96*	25,238.42	78,118.92
(4) Average A.T. & T. Stock Holdings Plus Average Loans	4,818,013.00	5,101,653.00	5,612,116.00	6,009,148.00	6,009,148.00
(5) Per cent of Net Profit on Stock and Loans	.28%*	.18%*	.14%*	.42%	1.30%
Cumberland Telephone and Telegraph Co.					
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 532,397.52*	$ 11,624.00	$ 17,588.92*	-	
(2) Losses to A.T. & T. Co. on Loans	103,822.21	46,714.25	88,045.88	81,131.72	
(3) Net Profit to A.T. & T. Co.	636,219.73*	35,090.25*	105,634.80*	81,131.72*	
(4) Average A.T. & T. Stock Holdings Plus Average Loans	16,190,430.00	11,457,080.00	27,334,917.00	7,443,277.00	
(5) Per cent of Net Profit on Stock and Loans	3.93%*	.31%*	.39%*	1.09%*	
Illinois Bell Telephone Company					
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 185,950.22	$ 209,584.92	$ 251,929.49	$ 440,285.49	$ 616,990.16
(2) Losses to A.T. & T. Co. on Loans	2,460.00	-	26,182.57	74,933.75	35,625.00
(3) Net Profit to A.T. & T.Co.	183,490.22	209,584.92	225,746.92	365,351.74	581,365.16
(4) Average A.T. & T. Stock Holdings Plus Average Loans	66,610,793.00	74,851,757.00	76,659,311.00	93,205,144.00	95,838,083.00
(5) Per cent of Net Profit on Stock and Loans	.28%	.28%	.29%	.39%	.61%

[illegible] AND T[illegible] CORPORATION
[illegible] CR. ANY. TAXES IN LICENSE COMPANIES
[illegible] TO 1930, INCLUSIVE

Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
$ 83,627.07	$ 241,044.60	$ 614,317.04	$ 500,633.09	$ 474,738.27	$ 742,318.03	$ 735,627.66	$ 1,197,722.42
37,053.75	237,910.00	281,370.00	-	59,260.33	5,032.50	90,568.50	58,873.13
46,573.32	3,134.60	132,947.04	500,633.09	415,477.94	737,285.53	645,059.16	1,138,849.29
10,546,470.00	57,111,047.00	111,216,050.00	86,316,050.00	92,553,980.00	87,141,050.00	101,991,050.00	114,118,350.00
.44%	.01%	.12%	.58%	.45%	.85%	.63%	1.00%
$ 78,684.88*	$ 510,626.54*	$ 29,324.49*	$ 10,990.17	$ 30,653.87	$ 384,909.27	$ 531,247.70	$ 454,162.17
61,033.46	57,859.45	132,614.20	193,251.77	33,309.38	46,465.78	126,233.84	85,345.74
139,718.34*	568,485.99*	161,938.69*	182,261.60*	2,645.81*	338,443.49	407,013.04	370,816.43
40,351,848.00	56,734,182.00	63,877,932.00	71,296,681.00	75,198,412.00	79,309,175.00	84,140,425.00	93,796,850.00
.35%*	1.00%*	.25%*	.26%	-	.43%	.48%	.40%
$ 13,490.44*	$ 9,182.99*	$ 7,856.96*	$ 25,238.42	$ 78,118.92	$ 110,103.39	$ 124,934.87	$ 167,019.62
-	-	-	-	-	-	-	-
13,490.44*	9,182.99*	7,856.96*	25,238.42	78,118.92	110,103.39	124,934.87	167,019.62
4,818,013.00	5,101,653.00	5,612,116.00	6,009,148.00	6,009,148.00	6,553,773.00	7,098,572.00	7,915,622.00
.28%*	.18%*	.14%*	.42%	1.30%	1.68%	1.76%	2.11%
$ 32,397.52*	$ 11,624.00	$ 17,588.92*	-				
103,822.21	46,714.25	88,045.88	81,131.72				
136,219.73*	35,090.25*	105,634.80*	81,131.72*				
16,190,430.00	11,457,080.00	27,334,917.00	7,443,277.00				
3.93%*	.31%*	.39%*	1.09%*				
$ 185,950.22	$ 209,584.92	$ 251,929.49	$ 440,285.49	$ 616,990.16	$ 1,224,743.03	$ 1,247,650.55	$ 1,907,569.91
2,460.00	-	26,182.57	74,933.75	35,625.00	27,912.23	123,876.75	2,337.50
183,490.22	209,584.92	225,746.92	365,351.74	581,365.16	1,196,830.80	1,123,773.80	1,905,232.41
66,610,793.00	74,851,757.00	76,659,311.00	93,205,144.00	93,838,083.00	119,037,741.00	126,878,853.00	134,885,909.00

Plus Average Loans					
(5) Per cent of Net Profit on Stock and Loans	3.93%*	.31%*	.39%*	1.09%*	
Illinois Bell Telephone Company					
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 185,950.22	$ 209,584.92	$ 251,929.49	$ 440,285.49	$ 616,990
(2) Losses to A.T. & T.-Co. on Loans	2,460.00	-	26,182.57	74,933.75	35,62
(3) Net Profit to A.T. & T.Co.	183,490.22	209,584.92	225,746.92	365,351.74	581,365
(4) Average A.T. & T. Stock Holdings Plus Average Loans	66,610,793.00	74,851,757.00	76,659,311.00	93,205,144.00	93,838,083
(5) Per cent of Net Profit on Stock and Loans	.28%	.28%	.29%	.39%	.6

*Red figures (Losses)

Cont'd on next page

	5.93%*	.31%*	.39%*	1.09%*				
	185,950.22	$ 209,384.92	$ 251,929.49	$ 440,285.49	$ 616,990.16	$ 1,224,743.03	$ 1,247,650.55	$ 1,907,569.91
	2,460.00	-	26,182.57	74,933.75	35,625.00	27,912.23	123,676.75	2,337.50
	183,490.22	209,384.92	225,746.92	365,351.74	581,365.16	1,196,830.80	1,123,973.80	1,905,232.41
	66,610,793.00	74,851,757.00	76,659,311.00	93,205,144.00	95,838,083.00	119,037,741.00	126,875,853.00	134,885,909.00
	.28%	.28%	.29%	.39%	.61%	1.01%	.89%	1.41%

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
PROFIT OR LOSS ON INVESTMENTS IN LICENSEE COMPANIES
DURING YEARS 1923 TO 1930, INCLUSIVE

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Y
Indiana Bell Telephone Company						
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 829,969.65*	$ 827,550.00*	$ 1,273,351.05*	$ 805,499.11*	$ 137,927.93*	$ 5
(2) Losses to A.T. & T. Co. on Loans	202,036.71	225,979.18	182,990.28	71,515.66	61,750.00	
(3) Net Profit to A.T. & T.Co.	1,032,028.36*	1,061,529.18*	1,456,341.33*	877,014.77*	199,677.93*	5
(4) Average A.T. & T. Stock Holdings Plus Average Loans	28,508,447.00	29,857,147.00	34,568,304.00	34,146,656.00	34,085,586.00	34,0
(5) Per cent of Net Profit on Stock and Loans	3.62%*	3.52%*	4.21%*	2.57%*	.59%	
Michigan Bell Telephone Company						
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 102,179.89*	$ 348,785.96	$ 504,052.10	$ 554,424.31	$ 539,290.26	$ 1,2
(2) Losses to A.T. & T. Co. on Loans	258,182.72	260,696.93	127,365.13	268,031.00	365,702.50	1
(3) Net Profit to A.T. & T. Co.	360,362.61*	88,089.03	376,686.97	286,393.31	173,587.76	1,0
(4) Average A.T. & T. Stock Holdings Plus Average Loans	41,428,444.00	53,907,942.00	61,676,460.00	74,992,210.00	88,895,959.00	104,8
(5) Per cent of Net Profit on Stock and Loans	.87%*	.16%	.61%	.38%	.20%	
Mountain States Telephone Company						
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 36,412.70	$ 42,014.66	$ 19,806.84	$ 23,491.97	$ 226,110.22	$ 3
(2) Losses to A.T. & T. Co. on Loans	42,663.48	19,206.21	13,842.50	14,987.50	14,121.75	
(3) Net Profit to A.T. & T. Co.	6,250.78*	22,808.45	5,764.34	8,504.47	211,988.47	2
(4) Average A.T. & T. Stock Holdings Plus Average Loans	31,478,348.00	29,534,074.00	29,234,772.00	30,739,965.00	30,851,463.00	33,8
(5) Per cent of Net Profit on Stock and Loans	.02%*	.08%	.02%	.03%	.69%	
New England Telephone and Telegraph Co.						
(1) Profit to A.T. & T.Co. on Stock Holdings	$ 104,029.44	$ 197,403.80	$ 788,864.49*	$ 516,967.65	$ 527,435.55	$ 7
(2) Losses to A.T. & T. Co. on Loans	42,281.25	250,224.66	428,486.96	141,700.00	-	
(3) Net Profit to A.T. & T.Co.	61,748.19	52,820.86*	1,217,351.45*	375,267.65	527,435.55	7
(4) Average A.T. & T. Stock Holdings Plus Average Loans	46,783,102.00	70,475,459.00	91,583,451.00	84,801,063.00	72,251,446.00	95,4
(5) Per cent of Net Profit on Stock and Loans	.13%	.07%*	1.33%*	.44%	.73%	
New Jersey Bell Telephone Company						
(1) Profit to A.T. & T. Co. on Stock					-	$ 3
(3) Net Profit to A.T. & T. on Stock Holdings					$ 27,424.69	1
(8) Losses to A.T. & T. on Stock Holdings					24,424.69*	$ 1
Plus Average Loans					2,886,810.00	95,1
(5) Per cent of Net Profit on Stock and Loans					.93%*	

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
PROFIT OR LOSS ON INVESTMENTS IN LICENSED COMPANIES
DURING YEARS 1925 TO 1930, INCLUSIVE

Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
$29,969.65*	$ 827,550.00*	$ 1,273,351.05*	$ 805,499.11*	$ 137,927.93*	$ 397,612.82	$ 403,729.73	$ 486,369.38
202,036.71	223,979.16	182,990.28	71,515.66	61,750.00	81,350.00	34,930.00	22,870.27
232,026.36*	1,051,529.16*	1,456,341.33*	877,014.77*	199,677.93*	316,262.82	368,799.73	485,499.11
208,447.00	29,857,147.00	34,568,304.00	34,146,656.00	34,086,586.00	34,085,586.00	34,086,586.00	35,966,826.00
3.62%*	3.52%*	4.21%*	2.57%*	.59%	1.10%	1.08%	1.30%
102,179.89*	$ 348,785.96	$ 504,052.10	$ 584,424.31	$ 539,290.26	$ 1,204,184.11	$ 1,221,237.30	$ 1,275,082.67*
356,182.72	250,696.93	127,365.15	266,031.00	365,702.50	116,982.05	377,791.76	147,036.60
460,362.61*	98,089.03	376,686.97	286,393.31	173,587.76	1,087,182.06	843,445.54	1,422,119.27*
126,444.00	53,907,942.00	61,676,460.00	74,992,210.00	88,895,959.00	104,579,096.00	123,256,096.00	134,997,057.00
.87%*	.16%	.61%	.38%	.20%	1.04%	.68%	1.05%*
6,412.70	$ 42,014.66	$ 19,606.84	$ 23,491.97	$ 228,110.22	$ 317,141.60	$ 323,014.59	$ 508,682.72
12,663.48	19,206.21	13,842.50	14,987.50	14,121.75	27,425.95	138,597.25	52,381.25
19,250.78*	22,808.45	5,764.34	8,504.47	211,988.47	289,715.65	184,417.34	456,301.47
78,348.00	29,534,074.00	29,234,772.00	30,739,963.00	30,851,463.00	33,861,020.00	43,252,463.00	47,654,078.00
.02%*	.08%	.02%	.03%	.69%	.86%	.43%	.96%
6,029.44	$ 197,403.80	$ 786,864.49*	$ 516,967.65	$ 527,435.55	$ 751,415.04	$ 765,865.33	$ 1,088,210.31
8,281.25	250,224.66	428,486.96	141,700.00	-	19,212.56	84,455.75	47,600.00
1,748.19	52,820.86*	1,217,351.45*	375,267.65	527,435.55	732,202.48	681,409.58	1,040,610.31
9,102.00	70,475,459.00	91,583,451.00	84,801,063.00	72,251,446.00	75,401,046.00	80,713,946.00	93,640,175.00
.13%	.07%*	1.33%*	.44%	.73%	.97%	.84%	1.11%
				-	$ 335,663.43	$ 581,718.18	$ 901,092.83
				$ 27,424.69	162,478.80	178,613.09	131,843.94
				27,424.69*	$ 173,184.63	$ 403,105.07	$ 769,248.89
				2,886,810.00	95,138,609.00	131,959,487.00	145,084,487.00
				.93%*	.18%	.31%	.53%

(5) Per cent of Net Profit on Stock and Loans	.13%	.07%*	1.33%*	.44%	.73%

New Jersey Bell Telephone Company

(1) Profit to A.T. & T. Co. on Stock		$ 37,424.69
(3) Net Profit to A.T. & T. Holders		26,424.69*
(4) Loss to A.T. & T. Stock Holders Plus Average Loans		2,886,810.00
(5) Per cent of Net Profit on Stock and Loans		.93%*

* Red Figures (Losses)

Cont'd on Next Page.

.13%	.07%*	1.33%*	.44%	.73%	.97%	.84%	1.11%
				-	$ 335,663.43	$ 581,718.16	$ 901,092.83
				$ 27,424.69	162,478.80	176,613.09	131,843.94
				27,424.69*	$ 173,184.63	$ 405,105.07	$ 769,248.89
				2,886,810.00	93,138,609.00	131,959,487.00	145,084,487.00
				.93%*	.18%	.31%	.53%

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
PROFIT OR LOSS ON INVESTMENT IN LICENSEE COMPANIES (Cont'd)
DURING YEARS 1923 TO 1930, INCLUSIVE

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Ye... D...
New York Telephone Company						
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 266,411.20*	$ 217,972.80*	$ 411,726.40*	$ 1,700,041.28	$ 1,608,975.78	$ 2,55...
(2) Losses to A.T. & T. Co. on Loans	112,072.11	462,376.58	667,621.56	413,464.84	447,782.37	10...
(3) Net Profit to A.T. & T. Co.	378,483.31*	680,349.38*	1,079,347.96*	1,286,576.44	1,161,193.41	2,44...
(4) Average A.T. & T. Stock Holdings Plus Average Loans	251,303,554.00	278,888,554.00	301,273,554.00	341,311,354.00	350,715,321.00	321,49...
(5) Per cent of Net Profit on Stock and Loans	.15%*	.24%*	.36%*	.38%	.33%	
Northwestern Bell Telephone Company						
(1) Profit to A.T. & T.Co. on Stock Holdings	$ 264,336.20*	$ 585,606.34	$ 739,898.97	$ 686,810.70	$ 686,998.85	$ 87...
(2) Losses to A.T. & T.Co. on Loans	-	-	50,991.25	27,931.25	712.50	...
(3) Net Profit to A.T. & T. Co.	264,336.20*	585,606.34	688,907.72	658,879.45	686,286.35	86...
(4) Average A.T. & T. Stock Holdings Plus Average Loans	40,667,107.00	40,367,107.00	62,317,107.00	68,601,990.00	66,114,490.00	68,60...
(5) Per cent of Net Profit on Stock and Loans	.65%*	1.44%	1.11%	.96%	1.01%	
Ohio Bell Telephone Company						
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 1,252,408.16*	$ 712,928.57*	$ 36,037.66	$ 217,216.46*	$ 432,205.79*	$ 36...
(2) Losses to A.T. & T. Co. on Loans	117,219.00	161,949.16	155,551.37	114,789.08	208,317.78	3...
(3) Net Profit to A.T.& T. Co.	1,369,627.16*	874,877.73*	119,513.71*	332,005.54*	640,523.57*	33...
(4) Average A.T. & T. Stock Holdings Plus Average Loans	48,872,236.00	52,270,344.00	57,568,858.00	71,317,038.00	87,098,782.00	96,39...
(5) Per cent of Net Profit on Stock and Loans	2.80%*	1.67%*	.21%*	.47%*	.73%*	
Pacific Telephone and Telegraph Company						
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 370,635.49*	$ 378,312.60*	$ 340,987.67*	$ 302,582.66	$ 351,307.47	$ 70...
(2) Losses to A.T. & T. Co. on Loans	139,758.75	421,706.25	390,851.18	505,487.50	332,487.89	25...
(3) Net Profit to A.T. & T. Co.	510,394.24*	800,018.85*	731,838.85*	202,934.84*	18,819.58	51...
(4) Average A.T. & T. Stock Holdings Plus Average Loans	83,780,645.00	87,779,659.00	128,010,808.00	137,349,538.00	156,180,546.00	172,96...
(5) Per cent of Net Profit on Stock and Loans	.95%*	.91%*	.57%*	.15%*	.01%	
Southern Bell Telephone Company						
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 480,650.37	$ 664,357.82	$ 630,068.39	$ 845,003.05	$ 958,442.57	$ 1,33...
(2) Losses to A.T. & T. Co. on Loans	134,496.55	28,224.00	27,738.68	79,105.88	138,302.21	11...
(3) Net Profit to A.T. & T.Co.	346,153.82	636,133.82	602,329.71	765,897.17	820,140.36	1,21...
(4) Average A.T. & T. Stock Holdings Plus Average Loans	46,538,410.00	45,101,795.00	45,316,545.00	83,383,821.00	111,370,508.00	120,51...
(5) Per cent of Net Profit on Stock and Loans	.74%	1.41%	1.33%	.92%	.74%	

* Red Figures (Losses)

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY
PROFIT OR LOSS ON INVESTMENTS IN LICENSEE COMPANIES (Cont'd)
DURING YEARS 1923 TO 1930, INCLUSIVE

Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
58,411.20*	$ 217,972.80*	$ 411,726.40*	$ 1,700,041.28	$ 1,608,975.78	$ 2,550,074.81	$ 2,610,790.88	$ 3,893,297.24
12,072.11	462,376.58	667,621.56	413,464.84	447,762.37	109,283.39	283,296.50	198,687.50
46,483.31*	680,349.38*	1,079,347.96*	1,286,576.44	1,161,193.41	2,440,791.42	2,327,494.38	3,694,609.74
23,554.00	278,888,554.00	301,273,554.00	341,511,354.00	350,715,321.00	321,495,845.00	326,255,335.00	373,917,835.00
.15%*	.24%*	.38%*	.38%	.33%	.76%	.73%	.99%
58,336.20*	$ 585,606.34	$ 739,898.97	$ 686,810.70	$ 666,998.85	$ 871,721.27	$ 884,929.17	$ 1,069,839.74
-	-	50,991.25	27,931.25	712.50	3,423.84	31,686.50	91,705.91
58,336.20*	585,606.34	688,907.72	658,879.45	666,286.35	868,297.43	853,242.67	978,133.83
39,107.00	40,367,107.00	62,317,107.00	68,601,990.00	66,114,490.00	66,600,775.00	69,214,490.00	87,616,880.00
.65%*	1.44%	1.11%	.96%	1.01%	1.30%	1.23%	1.12%
58,408.16*	$ 712,928.57*	$ 36,037.66	$ 217,216.46*	$ 432,205.79*	$ 389,459.54	$ 472,188.78	$ 97,915.81
2,219.00	161,949.16	156,551.37	114,789.08	208,317.78	34,525.14	34,996.96	39,418.75
56,627.16*	874,877.73*	119,513.71*	332,005.54*	634,523.57*	354,934.40	437,191.82	58,496.76
78,236.00	52,270,344.00	57,568,858.00	71,317,038.00	87,098,752.00	96,390,194.00	107,966,503.00	125,109,180.00
2.80%*	1.67%*	.21%*	.47%*	.73%*	.37%	.40%	.05%
70,635.49*	$ 378,312.60*	$ 340,987.67*	$ 302,552.66	$ 351,307.47	$ 787,608.31	$ 793,690.17	$ 1,560,884.17
5,758.75	421,706.25	390,851.18	305,487.50	332,487.89	253,466.47	633,998.26	155,663.18
64,394.24*	800,018.85*	731,838.85*	202,934.84*	18,819.58	514,141.84	159,691.91	1,404,920.99
10,645.00	87,779,659.00	128,010,808.00	137,349,538.00	156,180,546.00	172,961,190.00	194,936,190.00	221,696,091.00
.95%*	.91%*	.57%*	.15%*	.01%	.30%	.08%	.63%
40,650.37	$ 664,357.82	$ 630,068.39	$ 845,003.05	$ 958,442.57	$ 1,353,740.88	$ 1,627,585.73	$ 2,079,778.56
5,496.55	28,224.00	27,736.68	79,105.86	138,302.21	114,075.80	283,828.04	1,540.63
35,153.82	636,133.82	602,329.71	765,897.19	820,140.36	1,219,667.08	1,343,757.69	2,078,237.92
48,410.00	45,101,795.00	45,316,545.00	83,383,821.00	111,370,508.00	120,512,904.00	146,997,582.00	127,178,285.00
.74%	1.41%	1.33%	.92%	.74%	1.01%	.93%	1.63%

(1) Profit to A.T. & T. Co. on Stock Holdings	$ 480,650.37	$ 664,357.82	$ 630,068.39	$ 845,003.05	$ 958,442.57	$ 1,333,[illegible]
(2) Losses to A.T. & T. Co. on Loans	134,496.55	28,224.00	27,738.68	79,105.88	138,302.21	114,[illegible]
(3) Net Profit to A.T. & T.Co.	346,153.82	636,133.82	602,329.71	765,897.17	820,140.36	1,218,[illegible]
(4) Average A.T. & T. Stock Holdings Plus Average Loans	46,538,410.00	45,101,795.00	45,316,545.00	83,383,821.00	111,370,508.00	120,512,[illegible]
(5) Per cent of Net Profit on Stock and Loans	.74%	1.41%	1.33%	.92%	.74%	[illegible]

* Red Figures (Losses)

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$ 480,650.37	$ 664,357.82	$ 830,068.39	$ 845,003.05	$ 958,442.57	$ 1,333,740.88	$ 1,627,585.73	$ 2,079,778.85
134,496.55	28,224.00	27,738.68	79,105.88	138,302.21	114,073.80	243,828.04	1,540.63
346,153.82	636,133.82	802,329.71	765,897.17	820,140.36	1,219,667.08	1,383,757.69	2,078,237.92
46,538,410.00	45,101,795.00	45,316,545.00	85,383,821.00	111,370,508.00	120,512,904.00	146,997,582.00	127,178,285.00
.74%	1.41%	1.33%	.92%	.74%	1.01%	.93%	1.63%

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
PROFIT AND LOSS ON INVESTMENTS IN LICENSEE COMPANIES (CONT'd)
ENDING YEARS 1923 TO 1930, INCLUSIVE

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	
Southern New England Telephone Co.						
(1) Profit to A.T. & T. Co. on Stock Holdings	$ 47,832.15	$ 60,540.23	$ 60,038.09	$ 76,830.98	$ 84,900.89	$
(2) Losses to A.T. & T. Co. on Loans	23,062.50	23,310.00	37,855.85	37,560.86	26,006.25	
(3) Net Profit to A.T. & T.Co.	24,769.65	37,230.23	22,182.24	39,270.12	58,894.64	
(4) Average A.T. & T. Stock Holdings Plus Average Loans	8,168,704.00	9,144,004.00	11,147,229.00	12,078,644.00	12,385,329.00	
(5) Per cent of Net Profit on Stock and Loans	.30%	.41%	.20%	.33%	.48%	
Southeastern Bell Telephone Company						
(1) Profit to A.T. & T.Co. on Stock Holdings	$ 1,110,134.78	$ 1,124,367.28	$ 1,067,437.29	$ 1,052,916.73	$ 918,952.39	$
(2) Losses to A.T. & T.Co. on Loans	216,464.76	65,755.50	-	72,073.85	94,402.07	
(3) Net Profit to A.T. & T. Co.	893,670.02	1,058,611.78	1,067,437.29	980,842.88	824,550.32	
(4) Average A.T. & T. Stock Holdings Plus Average Loans	88,761,247.00	76,381,176.00	71,162,486.00	92,215,266.00	113,190,137.00	1
(5) Per cent of Net Profit on Stock and Loans	1.01%	1.39%	1.50%	1.06%	.73%	
Wisconsin Telephone Company						
(1) Profit to A.T. & T.Co. on Stock Holdings	$ 61,910.98	$ 119,890.30	$ 147,282.90	$ 110,167.51	$ 27,677.47	$
(2) Losses to A.T. & T. Co. on Loans	40,142.82	5,378.75	4,378.75	1,635.00	6,768.75	
(3) Net Profit to A.T. & T.Co.	21,768.16	113,511.55	142,904.15	108,532.51	20,908.72	
(4) Average A.T. & T. Stock Holdings Plus Average Loans	15,169,602.00	17,392,208.00	20,843,458.00	23,589,896.00	25,873,835.00	
(5) Per cent of Net Profit on Stock and Loans	.14%	.65%	.69%	.46%	.08%	
Totals - All Companies						
(1) Total Profit to A.T. & T. Co. on Stock Holdings	$ 1,599,965.72*	$ 948,646.41	$ 1,000,968.79	$ 5,823,638.44	6,540,468.65	$
(2) Total Losses to A.T. & T. Co. on Loans	1,532,770.07	2,265,890.92	2,615,886.16	2,097,599.66	1,845,973.47	
(3) Total Net Profit to A.T. & T.Co.	3,132,735.79*	1,317,244.51*	1,614,917.37*	3,726,038.78	4,694,495.18	
(4) Total Average A.T. & T. Stock Holdings plus Average Loans	$ 839,975,400.00	$996,655,198.00	$1,201,403,358.00	$1,318,997,739.00	$1,421,499,805.00	$1,
(5) Composite Per cent of Net Profit On Stock and Loans	.37%*	.13%*	.13%*	.28%	.33%	
Totals - All Companies, Exclusive of I.B.T.Co.						
(1) Total Profit to A.T.& T.Co. on Stock Holdings	$ 1,785,915.94*	$ 739,061.49	$ 749,039.30	$ 5,383,352.95	$ 5,923,478.49	$ 1
(2) Total Losses to A.T.& T.Co. on Loans	1,530,310.07	2,265,890.92	2,589,703.59	2,022,665.91	1,810,348.47	
(3) Total Net Profit to A.T.& T.Co.	3,316,226.01*	1,526,829.43*	1,840,664.96*			

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p.7

AMERICAN TELEPHONE AND TELEGRAPH COMPANY
PROFIT AND LOSS ON INVESTMENTS IN LICENSEE COMPANIES (CONT'd)
DURING YEARS 1923 TO 1930, INCLUSIVE

Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
$ 47,832.15	$ 60,540.23	$ 60,038.09	$ 76,830.98	$ 84,900.89	$ 131,941.52	$ 150,973.15	$ 192,181.34
23,062.50	23,310.00	37,855.85	37,560.86	26,006.25	31,144.49	48,902.00	29,237.05
24,769.65	37,230.23	22,182.24	39,270.12	58,894.64	100,797.03	102,071.15	162,944.31
8,168,704.00	9,144,004.00	11,147,229.00	12,078,644.00	12,385,329.00	15,920,533.00	16,881,996.00	19,278,096.00
.30%	.41%	.20%	.33%	.48%	.63%	.60%	.85%
$ 1,110,134.78	$ 1,124,367.28	$ 1,067,437.29	$ 1,052,916.73	$ 918,952.39	$ 1,528,338.18	$ 1,847,954.05	$ 2,516,206.45
218,464.76	65,755.50	-	72,073.85	94,402.07	55,888.75	53,642.50	44,731.25
893,670.02	1,058,611.78	1,067,437.29	980,842.88	824,550.32	1,472,449.40	1,794,311.55	2,471,475.20
88,761,247.00	76,381,176.00	71,162,486.00	92,215,266.00	113,190,137.00	132,415,166.00	148,627,252.00	168,776,978.00
1.01%	1.39%	1.50%	1.06%	.73%	1.11%	1.21%	1.46%
$ 81,910.98	$ 119,890.30	$ 147,282.90	$ 110,167.51	$ 27,677.47	$ 131,314.29	$ 167,468.24	$ 287,259.28
40,142.82	5,378.75	4,378.75	1,635.00	6,768.75	14,245.85	6,549.38	30,387.50
21,768.16	113,511.55	142,904.15	108,532.51	20,908.72	117,068.44	160,918.86	256,871.78
15,169,602.00	17,392,208.00	20,843,458.00	23,589,896.00	25,873,835.00	29,134,220.00	29,530,085.00	38,373,835.00
.14%	.65%	.69%	.46%	.08%	.40%	.54%	.87%
$ 1,599,965.72*	$ 948,646.41	$ 1,000,968.79	$ 5,823,638.44	6,540,468.65	$ 13,172,269.29	$ 14,490,776.06	$ 17,136,008.97
3,532,770.07	2,265,890.92	2,615,886.16	2,097,599.66	1,845,973.47	1,042,909.60	2,452,966.90	1,137,858.18
3,132,735.79*	1,317,244.51*	1,614,917.37*	3,726,038.78	4,694,495.18	12,129,359.69	12,037,809.16	15,998,150.79
$9,975,400.00	$996,655,198.00	$1,201,403,358.00	$1,318,997,739.00	$1,421,499,805.00	$1,590,537,723.00	$1,773,782,911.00	$1,970,014,694.00
.37%*	.13%*	.13%*	.28%	.33%	.76%	.68%	.81
$ 1,785,915.94*	$ 739,061.49	$ 749,039.30	$ 5,383,352.95	$ 5,923,478.49	$ 11,947,526.26	$ 13,243,125.51	$ 15,228,439.06
1,530,310.07	2,265,890.92	2,589,703.59	2,022,665.91	1,810,348.47	1,014,997.37	2,329,090.15	1,135,320.68
3,316,226.01*	1,526,829.43*	1,840,664.29*	3,360,687.04	4,113,130.02			

(3) Composite Per Cent of Net Profit On Stock and Loans	.37%*	.13%*	.13%*	.28%	.33%	
Totals - All Companies, Exclusive of I.B.T.Co.						
(1) Total Profit to A.T.& T.Co. on Stock Holdings	$ 1,785,915.94*	$ 739,061.49	$ 749,039.30	$ 5,383,352.95	$ 5,923,478.49	$ 11
(2) Total Losses to A.T.& T.Co. on Loans	1,530,310.07	2,265,890.92	2,589,703.59	2,022,665.91	1,810,348.47	1
(3) Total Net Profit to A.T.& T.Co.	3,316,226.01*	1,526,829.43*	1,840,664.29*	3,360,687.04	4,113,130.02	10
(4) Total Average A.T.& T.Stock Holdings Plus Average Loans	$ 773,364,607.00	$921,803,441.00	$1,122,744,047.00	$1,225,792,595.00	$1,325,661,722.00	$1,471
(5) Composite Per Cent of Net Profit On Stock and Loans	.43%*	.17%*	.16%*	.27%	.31%	

* Red Figures.

.37%*	.13%*	.13%*	.28%	.33%	.76%	.68%	.81	
1,785,915.94*	$ 739,061.49	$ 749,039.30	$ 5,383,352.95	$ 5,923,478.49	$ 11,947,526.26	$ 13,243,125.51	$ 15,228,439.06	
1,530,310.07	2,265,890.92	2,589,703.59	2,022,665.91	1,810,348.47	1,014,997.37	2,329,090.15	1,135,320.68	
3,316,226.01*	1,526,829.43*	1,840,664.29*	3,360,687.04	4,113,130.02	10,932,528.89	10,914,035.36	14,093,118.38	
773,364,607.00	$921,803,441.00	$1,122,744,047.00	$1,225,792,595.00	$1,325,661,722.00	$1,471,499,982.00	$1,646,907,058.00	$1,835,188,785.00	
.43%*	.17%*	.16%*	.27%	.31%	.74%	.66%	.77%	

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EXHIBIT X-133

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

AVERAGE RETURN FROM DIVIDENDS AND INTEREST ON INVESTMENTS (STOCKS AND LOANS) IN LICENSEE COMPANIES DURING YEARS 1920 TO 1922, INCLUSIVE

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Bell Telephone Company of Pennsylvania	5.99%	7.98%	7.98%
Central Union Telephone Company	5.53%	-	-
Chesapeake and Potomac Telephone Companies	6.00%	6.57%	3.29%
Cincinnati and Suburban Bell Telephone Co.	6.31%	6.36%	6.48%
Cumberland Telephone & Telegraph Co. (Kentucky)	6.00%	5.58%	5.78%
Illinois Bell Telephone Company	6.76%	6.82%	6.98%
Indiana Bell Telephone Company	3.89%	2.93%	3.08%
Michigan State Telephone Company	4.13%	4.03%	5.54%
Mountain States Telephone Company	6.95%	6.87%	6.86%
New England Telephone & Telegraph Co.	6.65%	6.88%	6.93%
New York Telephone Company	6.36%	6.30%	6.70%
Northwestern Bell Telephone Company	6.73%	4.45%	5.24%
Ohio Bell Telephone Company	2.48%	6.58%	3.47%
Pacific Telephone & Telegraph Company	5.64%	5.47%	5.79%
Southern Bell Telephone & Telegraph Company	6.45%	6.25%	6.24%
Southern New England Telephone Company	6.68%	7.02%	7.02%
Southwestern Bell Telephone Company	6.32%	7.03%	7.67%
Wisconsin Telephone Company	7.24%	6.97%	7.12%
Total All Licensee Companies	6.11%	6.16%	6.31%
Total All Licensee Companies exclusive of Illinois Bell Telephone Company	6.06%	6.11%	6.26%

AMERICA[illegible] TELEPHONE COMPANY

AVERAGE RETURN FROM DIVIDENDS AND INTEREST ON INVESTMENT IN
(STOCK AND BOND) IN LICENSEE COMPANIES
DURING YEARS 1923 TO 1928, INCLUSIVE

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926
Bell Telephone Company of Pennsylvania	7.31%	6.86%	7.05%	7.41%
Chesapeake and Potomac Telephone Companies	6.52%	5.85%	6.68%	6.57%
Cincinnati and Suburban Bell Telephone Co.	6.59%	6.67%	6.79%	7.25%
Cumberland Telephone & Telegraph Co. (Kentucky)	2.94%	6.54%	6.54%	5.74%
Illinois Bell Telephone Company	7.15%	7.13%	7.22%	7.22%
Indiana Bell Telephone Company	3.25%	3.33%	2.72%	4.26%
Michigan Bell Telephone Company	6.00%	7.01%	7.54%	7.21%
Mountain States Telephone Company	6.85%	6.93%	6.95%	6.86%
New England Telephone & Telegraph Co.	7.00%	6.78%	5.60%	7.27%
New Jersey Bell Telephone Company	-	-	-	-
New York Telephone Company	6.72%	6.61%	6.57%	7.21%
Northwestern Bell Telephone Company	6.22%	8.29%	8.04%	7.79%
Ohio Bell Telephone Company	4.07%	5.19%	6.72%	6.36%
Pacific Telephone & Telegraph Company	5.92%	5.94%	6.36%	6.68%
Southern Bell Telephone & Telegraph Company	7.61%	8.26%	8.26%	7.75%
Southern New England Telephone Company	7.17%	7.26%	7.13%	7.16%
Southwestern Bell Telephone Company	7.88%	8.24%	8.43%	7.89%
Wisconsin Telephone Company	7.01%	7.50%	7.62%	7.29%
Total All Licensee Companies	6.50%	6.72%	6.80%	7.11%
Total All Licensee Companies exclusive of Illinois Bell				

AMERICA [illegible]

AVERAGE RETURN FROM DIVIDENDS AND INTEREST ON INVESTMENTS (STOCKS AND LOANS) IN LIFE INSURANCE COMPANIES DURING YEARS 1923 TO 1930, INCLUSIVE.

Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
7.31%	6.86%	7.05%	7.41%	7.31%	7.40%	7.16%	7.25%
6.52%	5.85%	6.68%	6.57%	6.86%	6.98%	7.01%	6.65%
6.59%	6.67%	6.79%	7.25%	8.16%	8.23%	8.29%	8.36%
2.94%	6.54%	6.54%	5.74%	-	-	-	-
7.15%	7.13%	7.22%	7.22%	7.47%	7.56%	7.42%	7.66%
3.25%	3.33%	2.72%	4.26%	6.27%	7.65%	7.61%	7.55%
6.00%	7.01%	7.54%	7.21%	7.06%	7.59%	7.21%	5.20%
6.85%	6.93%	6.95%	6.86%	7.55%	7.41%	6.96%	7.21%
7.00%	6.78%	5.60%	7.27%	7.59%	7.52%	7.37%	7.36%
-	-	-	-	5.91%	6.73%	6.84%	6.78%
6.72%	6.61%	6.57%	7.21%	7.19%	7.31%	7.26%	7.24%
6.22%	8.29%	8.04%	7.79%	7.87%	7.85%	7.76%	7.37%
4.07%	5.19%	6.72%	6.36%	6.13%	6.92%	6.93%	6.30%
5.92%	5.94%	6.36%	6.68%	6.87%	6.85%	6.61%	6.88%
7.61%	8.26%	8.26%	7.75%	7.60%	7.56%	7.46%	7.88%
7.17%	7.26%	7.13%	7.16%	7.34%	7.18%	7.13%	7.10%
7.88%	8.24%	8.43%	7.89%	7.59%	7.66%	7.74%	7.71%
7.01%	7.50%	7.62%	7.29%	6.94%	6.95%	7.07%	6.92%
6.50%	6.72%	6.80%	7.11%	7.19%	7.31%	7.21%	7.06%

Ohio Bell Telephone Company	4.07%	5.19%	6.72%	6.36%
Pacific Telephone & Telegraph Company	5.92%	5.94%	6.36%	6.68%
Southern Bell Telephone & Telegraph Company	7.61%	8.26%	8.26%	7.75%
Southern New England Telephone Company	7.17%	7.26%	7.13%	7.16%
Southwestern Bell Telephone Company	7.88%	8.24%	8.43%	7.89%
Wisconsin Telephone Company	7.01%	7.50%	7.62%	7.29%
Total All Licensee Companies	6.50%	6.72%	6.80%	7.11%
Total All Licensee Companies exclusive of Illinois Bell Telephone Company	6.44%	6.68%	6.77%	7.10%

4.07%	5.19%	6.72%	6.36%	6.13%	6.92%	6.93%	6.30%
5.92%	5.94%	6.36%	6.68%	6.87%	6.85%	6.61%	6.88%
7.61%	8.26%	8.26%	7.75%	7.60%	7.56%	7.46%	7.88%
7.17%	7.26%	7.13%	7.16%	7.34%	7.18%	7.13%	7.10%
7.88%	8.24%	8.43%	7.89%	7.59%	7.66%	7.74%	7.71%
7.01%	7.50%	7.62%	7.29%	6.94%	6.95%	7.07%	6.92%
6.50%	6.72%	6.80%	7.11%	7.19%	7.31%	7.21%	7.06%
6.44%	6.68%	6.77%	7.10%	7.17%	7.29%	7.19%	7.02%

EXHIBIT X-134
AMERICAN TELEPHONE AND TELEGRAPH COMPANY

AVERAGE RETURN TO A. T. & T. CO. FROM DIVIDENDS AND INTEREST ON ITS INVESTMENTS (STOCK AND LOANS) IN LICENSEE COMPANIES, CONVERTED INTO AVERAGE RETURN TO STOCKHOLDERS OF A. T. & T. CO. ON ITS INVESTMENTS IN CAPITAL STOCK OF A. T. & T. CO. DURING YEARS 1920 TO 1922, INCLUSIVE.

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Bell Telephone Company of Pennsylvania	7.75%	11.31%	10.77%
Central Union Telephone Company	6.83%	-	-
Chesapeake & Potomac Telephone Companies	7.77%	8.57%	2.68%
Cincinnati & Suburban Bell Telephone Company	8.40%	8.17%	8.18%
Cumberland Telephone & Telegraph Company	7.77%	6.65%	6.98%
Illinois Bell Telephone Company	7.30%	9.06%	9.05%
Indiana Bell Telephone Company	3.54%	1.51%	2.31%
Michigan State Telephone Company	4.02%	9.65%	6.56%
Mountain States Telephone Company	9.68%	9.15%	8.84%
New England Telephone and Telegraph Company	9.08%	9.17%	8.96%
New York Telephone Company	8.50%	8.05%	8.56%
Northwestern Bell Telephone Company	9.24%	4.46%	6.04%
Ohio Bell Telephone Company	.70%	8.59%	2.99%
Pacific Telephone and Telegraph Co.	7.05%	6.44%	6.98%
Southern Bell Telephone Company	8.68%	7.95%	7.77%
Southern New England Telephone Company	9.14%	9.45%	9.12%
Southwestern Bell Telephone Company	8.42%	9.47%	10.24%
Wisconsin Telephone Company	10.27%	9.35%	9.29%
Total All Licensee Companies	8.00%	7.78%	7.89%
Total All Licensee Companies exclusive of Ill. Bell Tel. Co.	7.90%	7.68%	7.80%

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

AVERAGE RETURN TO A. T. & T. CO. DIVIDENDS AND INTEREST ON ITS INVESTMENTS (STOCKS AND LOAN LICENSEE COMPANIES, CONVERTED INTO AVERAGE RETURN TO STOCKERS OF A. T. & T. CO. ON THEIR INVESTMENTS IN CAPITAL OF A. T. & T. CO. DURING YEARS 1923 TO 1926 INCLUSIVE

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Y
Bell Telephone Company of Pennsylvania	9.48%	8.83%	9.09%	9.78%	
Chesapeake and Potomac Telephone Companies	8.23%	7.21%	6.48%	8.27%	
Cincinnati and Suburban Bell Telephone Co.	8.35%	8.52%	8.67%	9.51%	
Cumberland Telephone and Telegraph Co.	2.59%	8.31%	8.25%	7.04%	
Illinois Bell Telephone Company	9.23%	9.26%	9.37%	9.47%	
Indiana Bell Telephone Company	3.08%	3.16%	1.97%	4.62%	
Michigan Bell Telephone Company	7.41%	9.07%	9.90%	9.45%	
Mountain States Telephone Company	8.76%	8.94%	8.93%	8.88%	
New England Telephone and Telegraph Co.	8.99%	8.70%	6.71%	9.55%	
New Jersey Bell Telephone Company					
New York Telephone Company	8.55%	8.43%	8.30%	9.45%	
Northwestern Bell Telephone Company	7.76%	11.12%	10.72%	10.40%	
Ohio Bell Telephone Company	4.37%	6.13%	8.55%	8.06%	
Pacific Telephone and Telegraph Company	7.29%	7.35%	7.96%	8.58%	
Southern Bell Telephone Company	9.95%	11.07%	11.08%	10.33%	
Southern New England Telephone Co.	9.26%	9.47%	9.22%	9.37%	
Southwestern Bell Telephone Company	10.38%	11.04%	11.36%	10.56%	
Wisconsin Telephone Company	9.01%	9.85%	10.03%	9.58%	
Total All Licensee Companies	8.20%	8.60%	8.68%	9.28%	
Total All Licensee Companies exclusive of Ill. Bell Tel. Co.	8.11%	8.54%	8.8[illegible]	9.2[illegible]	

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

AVERAGE RETURN TO A. T. & T. CO. FROM DIVIDENDS AND INTEREST ON ITS INVESTMENTS (STOCKS AND BONDS) IN LICENSED COMPANIES, CONVERTED INTO AVERAGE RETURN TO STOCKHOLDERS OF A. T. & T. CO. ON THEIR INVESTMENTS IN CAPITAL STOCK OF A. T. & T. CO. DURING YEARS 1923 TO 1930, INCLUSIVE

Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
9.48%	8.83%	9.09%	9.78%	9.63%	10.18%	9.93%	10.51%
8.23%	7.21%	8.48%	8.27%	8.91%	9.50%	9.68%	9.48%
8.35%	8.52%	8.67%	9.31%	10.99%	11.55%	11.83%	12.44%
2.59%	8.31%	8.25%	7.04%				
9.23%	9.26%	9.37%	9.47%	9.88%	10.45%	10.37%	11.23%
3.08%	3.16%	1.97%	4.62%	7.96%	10.59%	10.69%	11.03%
7.41%	9.07%	9.90%	9.45%	9.23%	10.30%	10.01%	6.08%
8.76%	8.94%	8.93%	8.88%	10.01%	10.20%	9.59%	10.45%
8.99%	8.70%	6.71%	9.55%	10.08%	10.38%	10.28%	12.75%
				7.38%	9.09%	9.39%	9.70%
8.55%	8.43%	8.30%	9.45%	9.44%	10.04%	10.10%	10.50%
7.76%	11.12%	10.72%	10.40%	10.52%	10.92%	10.94%	10.72%
4.37%	6.13%	8.55%	8.06%	7.74%	9.40%	9.54%	9.87%
7.29%	7.35%	7.96%	8.58%	8.92%	9.28%	9.00%	9.87%
9.95%	11.07%	11.08%	10.33%	10.09%	10.45%	10.44%	11.61%
9.26%	9.47%	9.22%	9.37%	9.68%	9.82%	9.88%	10.26%
10.38%	11.04%	11.36%	10.56%	10.08%	10.61%	10.91%	11.31%
9.01%	9.85%	10.03%	9.58%	9.03%	9.45%	9.78%	9.94%
8.20%	8.60%	8.68%	9.28%	9.44%	10.04%	10.01%	10.19%
8.11%	8.54%	8.63%	9.21%	9.40%	10.00%	9.98%	10.12%

Pacific Telephone and Telegraph Company	7.29%	7.35%	7.96%	8.58%
Southern Bell Telephone Company	9.95%	11.07%	11.08%	10.33%
Southern New England Telephone Co.	9.26%	9.47%	9.22%	9.37%
Southwestern Bell Telephone Company	10.38%	11.04%	11.36%	10.56%
Wisconsin Telephone Company	9.01%	9.85%	10.03%	9.58%
Total 11 Licensee Companies	8.20%	8.60%	8.68%	9.28%
Total 11 Licensee Companies Exclusive of Ill. Bell Tel. Co.	8.11%	8.54%	8.63%	9.27%

7.29%	7.35%	7.96%	8.58%	8.92%	9.28%	9.00%	9.87%
9.95%	11.07%	11.08%	10.33%	10.09%	10.45%	10.44%	11.61%
9.26%	9.47%	9.22%	9.37%	9.68%	9.82%	9.88%	10.26%
10.38%	11.04%	11.36%	10.56%	10.08%	10.61%	10.91%	11.31%
9.01%	9.85%	10.03%	9.58%	9.03%	9.45%	9.78%	9.94%
8.20%	8.60%	8.68%	9.28%	9.44%	10.04%	10.01%	10.19%
8.11%	8.54%	8.63%	9.27%	9.40%	10.00%	9.98%	10.12

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[fol. 4616]

EXHIBIT X-135

American Telephone and Telegraph Company

Ratio of Capital Investment in Illinois Bell Telephone Co. to Capital Investment in All Licensee Companies, Ratio of Profit on Capital Investment in Illinois Bell Telephone Co. to Profit on Capital Investment in All Licensee Companies, and Percentages of Profit on Investment During Years 1920 to 1922, Inclusive

		Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
1	Capital Investment in Illinois Bell Telephone Co	$47,984,725	$54,640,543	$57,194,003
2	Capital Investment in Other Licensee Companies	600,943,700	675,815,709	713,456,348
3	Capital Investment in All License Companies	648,928,425	730,456,252	770,650,351
4	Profit on Capital Investment in Ill. Bell Telephone Co	309,663	78,078	48,142
5	Profit on Capital Investment in Other License Companies	295,013*	3,859,489*	4,583,881*
6	Profit on Capital Investment in All Licensee Companies	14,650	3,781,411*	4,535,739*
7	Ratio of Capital Investment in Ill. Bell Telephone Co. to Capital Investment in All Licensee Companies	7.39%	7.48%	7.42%
8	Ratio of Profit on Capital Investment in Ill. Bell Tel. Co. to Profit on Capital Investment in All Licensee Companies	2,113.74%	(See note)	(See note)
9	Percentage of Profit on Capital Investment in Illinois Bell Telephone Co	.65%	.14%	.08%
10	Percentage of Profit on Capital Investment in Other Licensee Companies	.05%*	.057%*	.64%*
11	Percentage of Profit on Capital Investment in All Licensee Companies	.00%	.52%*	.59%*

NOTE.—"Capital Investment" refers to the investment in Capital Stock and Loans to Licensee Companies. During the years 1921 and 1922 there was a profit in respect to Ill. Bell Tel. Co., but there was a net loss on all Licensee Companies.

* Indicates Red Figures (Losses).

(Here follows side folio 4617)

[fol. 4617]

American Telephone and Telegraph Company

Ratio of Capital Investment in Illinois Bell Telephone Co. to Capital Investment in all Licensee Companies, Ratio of Profit on Capital Investment in Illinois Bell Telephone Co. to Profit on Capital Investment in All Licensee Companies and Percentages of Profit on Investment, During Years 1923 to 1930, Inclusive

		Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
1	Capital Investment in Illinois Bell Tel. Co.	$66,610,793	$74,851,757	$78,659,311	$93,205,144	$95,838,083	$119,037,741	$126,875,853	$134,885,909
2	Capital Investment in Other Licensee Companies	773,364,607	921,803,441	1,122,744,047	1,225,792,595	1,325,661,722	1,471,499,982	1,646,907,058	1,835,128,785
3	Capital Investment in All Licensee Companies	839,975,400	996,655,198	1,201,403,358	1,318,997,739	1,421,499,805	1,590,537,723	1,773,782,911	1,970,014,694
4	Profit on Capital Investment in Ill. Bell Tel. Co.	183,490	209,585	225,747	365,352	581,365	1,196,831	1,123,774	1,905,233
5	Profit on Capital Investment in Other Licensee Companies	3,316,226*	1,526,829*	1,840,664*	3,360,687	4,113,130	10,932,529	10,914,035	14,093,118
6	Profit on Capital Investment in All Licensee Companies	3,132,736*	1,317,244*	1,614,917*	3,726,039	4,694,495	12,129,360	12,037,809	15,998,351
7	Ratio of Capital Investment in Illinois Bell Tel. Co. to Capital Investment in All Licensee Companies	7.93%	7.51%	6.55%	7.07%	6.74%	7.48%	7.15%	6.85%
8	Ratio of Profit on Capital Investment in Ill. Bell Tel. Co. to Profit on Capital Investment in all Licensee Companies	(See Note)	(See Note)	(See Note)	9.81%	12.38%	9.87%	9.34%	11.91%
9	Percentage of Profit on Capital Investment in Illinois Bell Telephone Co.	.28%	.28%	.29%	.39%	.61%	1.01%	.89%	1.41%
10	Percentage of Profit on Capital Investment in Other Licensee Companies	.43%*	.17%*	.16%*	.27%	.31%	.74%	.66%	.77%
11	Percentage of Profit on Capital Investment in All Licensee Companies	.37%*	.13%*	.13%*	.28%	.33%	.76%	.68%	.81%

NOTE.—"Capital Investment" refers to the investment in Capital Stock and Loans to Licensee Companies. In the Years 1923 to 1925 there was a profit in respect to Ill. Bell Telephone Co. but there was a net loss on All Licensee Companies.

* Indicates Red Figures (Losses).

[fol. 4618] EXTRACTS FROM EXHIBIT X-136

American Telephone and Telegraph Company

Percentage Relationships of Average Investments in Capital Stocks of Licensee Companies and in Loans to Licensee Companies to Total Average Investments (Stock and Loans) in Licensee Companies, Years Ended December 31, 1920, to 1930, Inclusive

Year ended Dec. 31	Average A. T. & T. stock holdings common %	Average A. T. & T. stock holdings preferred %	Average A. T. & T. loans %
(1)	(2)	(3)	(4)
Illinois Bell Telephone Company:			
1920	96.83	....	3.17
1921	94.14	....	5.86
1922	98.70	....	1.30
1923	99.70	....	.30
1924	100.00	....	....
1925	97.05	....	2.95
1926	92.62	....	7.38
1927	96.09	....	3.91
1928	96.16	....	3.84
1929	90.22	....	9.78
1930	99.59	....	.41
Total All Licensee Companies:			
1920	68.99	3.83	27.18
1921	70.31	3.50	26.19
1922	75.32	6.45	18.23
1923	78.58	6.58	14.84
1924	75.23	6.73	18.04
1925	74.55	6.18	19.27
1926	79.97	5.44	14.59
1927	81.29	5.04	13.67
1928	84.75	4.50	10.75
1929	82.10	4.04	13.86
1930	82.77	3.64	13.59
Total All Licensee Companies Exclusive of Ill. Bell Tel. Co.			
1920	66.76	4.14	29.10
1921	68.38	3.79	27.83
1922	73.44	6.97	19.59
1923	76.76	7.15	16.09
1924	73.22	7.27	19.51
1925	72.98	6.61	20.41
1926	79.01	5.85	15.14
1927	80.22	5.41	14.37
1928	83.82	4.87	11.31
1929	81.48	4.35	14.17
1930	81.53	3.91	14.56

Exhibit from which these extracts were taken showed the same data for each licensee company shown in these extracts for Illinois Bell Telephone Company.

[fol. 4619] EXTRACTS FROM EXHIBIT X-137

American Telephone and Telegraph Company

Amounts Required in Order to Receive the Same per Cent of Return of Investment (Stock and Loans) in Each Licensee Company as Received from Investment in the Illinois Bell Telephone Co. During Years 1920 to 1930 Inclusive

Total—All Licensee Companies

Year Ended Dec. 31	Amt. Required to Equal Average I. B. T. Co. Return	Amt. in Excess of Average I. B. T. Co. Return	Net Amount Required to Equal Average I. B. T. Co. Return
(1)	(2)	(3)	(4)
1920	$4,320,112.76	$120,281.12	$4,199,831.64
1921	5,136,759.16	347,549.90	4,789,209.26
1922	5,854,101.69	717,804.58	5,136,297.11
1923	6,362,471.45	880,541.88	5,481,929.57
1924	5,990,525.28	1,905,458.15	4,085,067.13
1925	7,219,224.97	2,124,096.93	5,095,128.04
1926	3,098,905.40	1,675,524.57	1,423,380.83
1927	4,664,773.10	697,913.81	3,966,859.29
1928	4,356,898.87	431,518.46	3,925,380.41
1929	4,656,014.22	896,255.70	3,759,758.52
1930	12,195,043.79	419,590.02	11,775,453.77

The exhibit from which these extracts were taken showed for each licensee company for each year the data shown under Columns (2) and (3). The figures shown here are the totals of these items for all the companies for each year.

[fol. 4620]

EXHIBIT X-140

American Telephone and Telegraph Company

Cost of Other Services (See Note) Performed under License Contract, Prorated to Licensee Companies on Basis of License Payments, Years 1920 to 1922, Inclusive

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Cost of Other Services:			
Departmental Services	$7,336,481	$8,556,290	$9,224,018
Taxes (Except on Telephone Instruments)	1,568,128	1,915,909	2,668,963
Cost of Carrying Investments in Physical Property (Other than Telephone Instruments)	162,349	393,512	486,869
Total	9,066,958	10,865,711	12,379,850
Deduct—Estimated Amount of Corporate Expenses Attributable to Ownership of System Securities and Related Expenses	845,000	900,000	980,000
Cost of Other Services Chargeable to Licensees	8,221,958	9,965,711	11,399,850
Deduct—Proportion Chargeable to Long Lines Department of A. T. & T. Co.	876,537	1,026,089	1,252,067
Balance Chargeable to all other Licensees	7,345,421	8,939,622	10,147,783
Apportionment of Cost of Other Services to Other Licensees on Basis of License Payments:			
Bell Telephone Company of Pennsylvania	621,980	769,438	875,975
Central Union Telephone Company	241,799		
Chesapeake and Potomac Telephone Company	333,610	417,153	450,517
Cincinnati and Suburban Bell Telephone Company	87,015	108,384	121,283
Illinois Bell Telephone Company	611,469	912,539	1,007,624
Indiana Bell Telephone Company	84,300	141,450	151,597
Michigan State Telephone Company	256,216	335,621	374,048
Mountain States Telephone and Telegraph Company	276,495	304,344	322,156
New England Telephone and Telegraph Company	712,503	799,324	894,221
New York Telephone Company	1,556,941	1,931,521	2,209,738
Northwestern Bell Telephone Company	383,775	437,684	479,651
Ohio Bell Telephone Company	110,702	303,580	408,710
Pacific Telephone and Telegraph Company	618,665	743,040	908,847

American Telephone and Telegraph Company

Cost of Other Services (See Note) Performed under License Contract, Prorated to Licensee Companies on Basis of License Payments, Years 1920 to 1922, Inclusive

	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Southern Bell Telephone and Telegraph Company	507,883	580,899	655,027
Southern New England Telephone Company	136,741	157,747	176,981
Southwestern Bell Telephone Company	666,804	825,235	908,974
Wisconsin Telephone Company	138,463	171,063	202,434
Total	$7,345,421	$8,939,622	$10,147,783

NOTE.—The services claimed by the A. T. & T. Co. include the departmental (development and research, operation and engineering, personnel, accounting, etc.) taxes on investment used in rendering license contract services (exclusion of taxes on telephone instruments) and cost of carrying investment in physical property other than telephone instruments.

(Here follows side folio 4621)

[fol. 4621]

American Telephone and Telegraph Company

Cost of Other Services (See Note) Performed under License Contract, Prorated to Licensee Companies on Basis of License Payments During Years 1923 to 1930, Inclusive

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
Cost of Other Services:								
Departmental Services	$10,613,032	$11,354,890	$12,245,919	$14,117,709	$15,631,479	$17,054,918	$19,132,246	$23,485,984
Taxes (Except on Telephone Instruments)	2,822,153	3,352,142	3,746,826	3,391,965	3,322,728	1,671,872	1,018,102	988,898
Cost of Carrying Investments in Physical Property (Other than Telephone Instruments)	203,960	91,585	154,740	27,274	168,235	47,773	50,333	53,942
Total	13,639,145	14,798,617	16,147,485	17,536,948	19,122,442	18,774,563	20,200,681	24,529,824
Deduct—Estimated Amount of Corporate Expense Attributable to Ownership of System Securities and Related Expenses	1,000,000	1,200,000	1,400,000	1,600,000	1,800,000	2,000,000	2,250,000	2,500,000
Cost of Other Services Chargeable to Licensees	12,639,145	13,598,617	14,747,485	15,936,948	17,322,442	16,774,563	17,950,681	22,029,824
Deduct—Proportion Chargeable to Bell Tel. Co. of Canada and Long Lines Department of A. T. & T. Co.	1,548,432	1,668,519	1,823,005	1,876,403	1,894,561	2,196,294	2,459,515	3,152,333
Balance Chargeable to all other Licensees	11,090,713	11,930,098	12,924,480	14,060,545	15,427,881	14,578,269	15,491,166	18,877,491
Apportionment of Cost of Other Services to Other Licensees on Basis of License Payments:								
Bell Telephone Company of Pennsylvania	959,193	1,046,209	1,154,255	1,255,284	1,309,757	1,121,336	1,172,802	1,419,660
Chesapeake and Potomac Tel. Co.	477,237	490,734	519,298	551,156	589,701	541,029	554,330	679,749
Cincinnati and Suburban Bell Tel. Co.	129,083	135,721	140,748	153,701	174,086	162,048	167,825	199,683
Illinois Bell Tel. Co.	1,072,480	1,135,494	1,182,962	1,282,338	1,409,327	1,324,147	1,435,971	1,748,997
Indiana Bell Tel. Co.	167,666	199,585	199,098	209,108	224,357	204,355	215,156	253,006
Michigan Bell Tel. Co.	427,617	492,210	520,640	482,493	617,908	598,221	656,609	773,379
Mountain States Tel. & Tel. Co.	324,051	318,452	323,298	335,767	360,711	335,627	347,036	419,918
New England Tel. & Tel. Co.	954,392	1,005,904	1,083,997	1,240,460	1,300,397	1,166,424	1,188,980	1,426,601
New Jersey Bell Tel. Co.					199,703	723,092	766,855	929,290
New York Tel. Co.	2,462,567	2,726,776	3,038,383	3,375,699	3,576,011	3,038,797	3,231,040	4,065,298
Northwestern Bell Tel. Co.	516,095	523,836	533,323	534,027	562,151	546,926	635,052	767,155
Ohio Bell Tel. Co.	454,716	493,307	552,424	610,545	676,537	639,166	688,835	822,988
Pacific Tel. & Tel. Co.	1,043,123	1,145,985	1,294,334	1,416,375	1,573,336	1,487,636	1,589,796	1,945,131
Southern Bell Tel. & Tel. Co.	684,791	735,707	822,975	905,157	984,541	919,743	964,160	1,154,636
Southern New England Tel. Co.	192,650	204,346	217,471	235,570	260,021	252,919	267,147	327,787
Southwestern Bell Tel. Co.	1,002,824	1,044,875	1,098,495	1,211,866	1,322,356	1,248,658	1,328,351	1,609,621
Wisconsin Tel. Co.	222,228	230,957	242,779	260,999	286,981	268,145	281,221	338,592
Total	$11,090,713	$11,930,098	$12,924,480	$14,060,545	$15,427,881	$14,578,269	$15,491,166	$18,877,491

NOTE.—The services claimed by the A. T. & T. Co., include the departmental (development and research, operation and engineering, personnel, accounting, etc.), taxes on investment used in rendering license contract services (exclusive of taxes on telephone instruments), and cost of carrying investment in physical property other than telephone instruments.

fol. 4622] American Telephone and Telegraph Company

Departmental Costs Incurred in Rendering License Contract Services During Years 1920 to 1922, Inclusive

Department:	Year Ended Dec. 31, 1920	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1922
Development and Research	$2,596,428	$2,647,606	$2,352,199
Operation and Engineering	1,627,996	2,066,955	2,133,750
Operation—General	71,416	.....	163,868
Personnel	151,225	421,487	525,975
Information	377,166	588,593	568,004
Public Relations	.....	.....	.....
Legal	583,436	496,032	679,960
Comptroller	637,541	805,761	845,119
Treasurer	412,088	757,090	1,127,242
Secretary	.....	37,404	75,719
General Service Bureau	62,387	83,394	200,229
Sundry Items	816,798	631,968	551,953
Total	7,336,481	8,556,290	9,224,018

[fol. 4623]

American Telephone and Telegraph Company

Departmental Costs Incurred in Rendering License Contract Services During Years 1923 to 1930, Inclusive

Department:	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1924	Year Ended Dec. 31, 1925	Year Ended Dec. 31, 1926	Year Ended Dec. 31, 1927	Year Ended Dec. 31, 1928	Year Ended Dec. 31, 1929	Year Ended Dec. 31, 1930
Development and Research	$2,841,988	$3,078,422	$3,624,850	$4,295,693	$5,386,349	$5,526,817	$7,090,199	$9,556,804
Operation and Engineering	2,550,709	2,688,340	2,963,159	3,301,306	3,562,940	3,813,983	4,102,105	4,340,568
Operation—General	213,551	209,788	211,565	240,549	233,029	254,250	268,793	277,792
Personnel	602,742	515,465	603,523	707,960	938,415	924,418	1,056,306	1,100,273
Information	634,338	694,427	740,464	857,320	789,697	1,033,998	1,347,170	1,351,611
Public Relations	.....	21,878	27,751	27,365	27,471	27,878	35,741	49,467
Legal	759,191	746,667	780,265	750,600	796,734	1,029,330	692,727	967,031
Comptroller	972,573	1,070,737	1,176,720	1,306,614	1,412,231	1,484,471	1,566,822	1,704,662
Treasurer	954,861	1,258,097	944,914	1,381,752	1,103,130	1,648,226	1,591,063	2,499,674
Secretary	58,555	63,720	62,868	66,123	63,634	68,463	69,348	68,384
General Service Bureau	283,108	331,265	363,483	427,692	440,925	466,002	508,045	555,152
Sundry Items	741,416	676,084	746,357	754,735	876,924	777,082	803,927	1,015,566
Total	$10,613,032	$11,354,890	$12,245,919	$14,117,709	$15,631,479	$17,054,918	$19,132,246	$23,486,984